CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—TWENTY FIFTH PARLIAMENT

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House of Commons Debates

OFFICIAL REPORT

Speaker: The Honourable Marcel Lambert

FIRST SESSION—TWENTY FIFTH PARLIAMENT

The twenty fourth parliament having been dissolved by proclamation on Thursday, April 19, and writs having been issued and returned, a new parliament was summoned to meet for the dispatch of business on Thursday, September 27, 1962, and did accordingly meet on that day.

Thursday, September 27, 1962

This being the day on which parliament is convoked by proclamation of His Excellency the Governor General for the dispatch of business, and the members of the house being assembled:

Léon J. Raymond, Esquire, O.B.E., the Clerk of the House, read to the house a letter from the secretary to the Governor General informing him that the Honourable Patrick Kerwin, Chief Justice of Canada, in his capacity as Deputy Governor General, would proceed to the Senate chamber to open the first session of the twenty fifth parliament of Canada on Thursday, the twenty seventh day of September, at eleven o'clock.

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

> Members of the House of Commons:
> The Honourable the Deputy Governor General desires the immediate attendance of honourable members in the chamber of the honourable the Senate.

Accordingly, the house went up to the Senate chamber, when the Speaker of the Senate said:

> Honourable Members of the Senate,
> and Members of the House of Commons:
> I have it in command to let you know that His Excellency the Governor General does not see fit to declare the causes of his summoning the present parliament of Canada until the Speaker of the House of Commons shall have been chosen according to law, but this afternoon, at the hour of three o'clock, His Excellency will declare the causes of calling this parliament.

And the house being returned to the Commons chamber:

ELECTION OF SPEAKER

MR. MARCEL LAMBERT, MEMBER FOR THE ELECTORAL DISTRICT OF EDMONTON WEST

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Raymond, I know all hon. members are awaiting the speech from the throne. However, until a Speaker is elected there is no one to speak for or communicate with Her Majesty's representatives. We have been advised by the Honourable the deputy Governor General that we cannot be informed of the reasons for convening parliament until a Speaker has been chosen. Indeed, the House of Commons does not come into existence until a Speaker has been chosen.

The office of Speaker is a position of high dignity, one of the great inheritances of British tradition and institutions. In the early days the Speaker had to face the King. That is one of the reasons that today we continue more or less to force him to take his position as Speaker when he is chosen. His office requires courage, tact and great wisdom. Indeed, the records of history are replete with the names of great commoners who took their stand on behalf of freedom and its implementation by the House of Commons. The Speaker continues to be the custodian of the privileges and the honour of parliament. His ancient title, of course, is based on the fact that he was chosen by his fellow members to speak for them either to the sovereign or generally. His fidelity to parliament and the things it stands for must be unquestioned, and in the dispatch of his duties his impartiality unquestionable. He must be one who understands human frailties, wise and above all he must be patient, and have high intellectual qualities.

Last evening I picked up two volumes by Lord Ullswater, for many years Speaker of the British House of Commons. I think in his concluding paragraph he has summarized the position of the Speaker. I will quote those words:

> Upon the maintenance of order and decorum in any assembly the free expression of opinions depends. In a democratic assembly, where every

kind of view is represented, it is essential that the most extreme views, whether revolutionary or reactionary, heretical or orthodox, novel or commonplace, popular or unpopular, should be given an opportunity of making themselves heard. To allow clamour and disturbance to drown free expression of sentiment is to nullify the whole purpose of a deliberative assembly. Whatever the sentiments of the majority may be, the right of a minority, however small, to state its case and put forward its arguments, is undeniable. The House of Commons is not a public meeting, a conference or a convention, where opposition can be stifled by disturbance or silenced by shouting. History records many instances of the failure of representative assemblies to listen to the voice of reason and to be overborne by concerted, prearranged or even spontaneous, noise and violence. This is a danger from which our great assembly—

He is referring to Westminster.

—is not wholly free and it must be carefully guarded against as time goes on. Upon the Speaker of the House of Commons, this most important duty is specifically placed and in his hands, to that extent, rests the future destiny and usefulness of the oldest and greatest deliberative assembly of the world.

I apply those words to this house.

Now, sir, in the ordinary course of events the British system differs from ours in that there it is the custom that the same Speaker continues as long as he retains his seat in the house. I have not conducted any extensive research in this regard but as far back as 1922 the prime minister of that day, Right Hon. Mackenzie King, spoke of the possibility of there being a permanent Speaker. I think that has been a subject that has been discussed in successive parliaments. There has been some widespread support given to it. Had the last speaker, Hon. Roland Michener, been re-elected then the house might have felt the opportunity should have been given it to express itself in regard to this subject. However, in the light of the electoral results any suggestion of that kind becomes theoretical.

So far as the Speaker is concerned, his functions are to preside over this house, to be zealous in the maintenance of the privileges of parliament, and to ensure that the rights of minorities and individual members are preserved. The discharge of these functions requires fairness and tact, firmness and impartiality, and it will not be lost sight of that we do have a number of minorities in this parliament. The Speaker must maintain order amid the clashing sabres of debate. The Speaker must preserve inviolate the traditions of parliamentary government in principle as well as in spirit, for this is the traditional heritage of freedom.

A recital such as this has been made at the opening of all parliaments, and would almost lead one to believe that a paragon of all the perfections would have to be chosen. However, we try to secure unanimity of agreement in the choice of a Speaker, in the choice of an hon. member who represents in his person these purposes and objectives.

It is traditional in our system to choose a Speaker of one parliament who is of English origin, alternating with a Speaker of French origin. Many descendants of the French race have gone to various parts of Canada where they made valuable contributions in local spheres. The man whose name I present for the consideration of the house is among these and also goes back in his roots to the province of Quebec. His father went west many years ago and, should the house accept this nomination, it will be the first time such recognition will have been given to one of French origin representing a constituency outside Quebec.

To meet these qualifications I propose that the House of Commons give consideration to accepting Marcel Joseph Aime Lambert as Speaker. He possesses qualifications similar to those held by the Speaker of the last parliament. He was born in the province of Alberta. He is a Rhodes scholar and a barrister at law. He was first elected to parliament in 1957 and has since taken a prominent part in the deliberations of this house. I should also mention that he is a distinguished veteran of the second world war, who participated in the glory and grandeur of Dieppe where he was taken prisoner, and if he is chosen he will be the first of the veterans of the second world war to have attained so exalted a position.

Therefore, Mr. Raymond, I ask the house to accept the nomination of Mr. Marcel Lambert as an able and proper person to be Speaker of this twenty fifth parliament.

I move, seconded by the Minister of Transport (Mr. Balcer):

That Marcel Joseph Aime Lambert, Esquire, member for the electoral district of Edmonton West, do take the chair of this house as Speaker.

(Translation):

Hon. Leon Balcer (Minister of Transport): Mr. Raymond, it gives me great pleasure to second the motion of the right hon. Prime Minister (Mr. Diefenbaker). In my opinion, Mr. Lambert is totally qualified to fulfil the important duties of Speaker of this house, in which he will be called upon to serve his country once again, if this house concurs in the Prime Minister's motion.

I am convinced, as every right-minded person in this place is, that, in this function, he will be a credit to the people of Edmonton West and to the French speaking Canadians, especially those living outside the province of Quebec.

In nominating Mr. Lambert, the Prime Minister is asking the house to maintain a tradition of the utmost importance to the full development of national unity in this

country, that of having in turn an English speaking and a French speaking member as Speaker of this house.

The Prime Minister's idea of proposing the appointment of a French speaking member from a province other than Quebec is indeed an excellent one, to which I, as a French speaking member from Quebec, am happy to subscribe. By electing Mr. Lambert, the house will give conclusive evidence that in Canada, whatever his language or religion, a Canadian is at home in all ten provinces and can aim at the highest offices.

Mr. Lambert is a capable parliamentarian and a well-known lawyer. His high sense of duty and the respect he bears to the constitutional function of this House of Commons in the life of the nation have brought unto him a reputation of high honour.

For all those reasons, it gives me pleasure to second the Prime Minister's motion.

(Text):

Hon. L. B. Pearson (Leader of the Opposition): Mr. Raymond, we on this side support with pleasure the nomination that has been made to the house by the Prime Minister, seconded by the Minister of Transport, of Mr. Lambert, the member for Edmonton West, as the Speaker of our house.

We do so for more than one reason. One is that when it is possible—and it has nearly always been possible throughout our history—the nomination of the Speaker should be supported by all hon. members of the house. The Prime Minister has mentioned the desirability, in certain circumstances in the future, of arranging for permanency in the office of Speaker. I agree that if we could make arrangements in future which would provide for continuity in the holding of this very important office, having regard to our tradition that it should be held alternately by French speaking and English speaking Canadians, it might be a desirable thing to do.

We on this side support this nomination of one who has served his country with gallantry in war and distinction in peace, who has now had some years of experience in the house and who has the great advantage of being perfectly familiar with both of Canada's official languages.

The office of Speaker, as the Prime Minister has pointed out, is the foundation of our parliamentary institutions. He is the protector of our rights and our traditions; a protection which as we know, and as has already been mentioned this morning, was in the early days against a king, but in modern days it is protection against any effort, if effort is ever made, to violate our rules, our privileges and our rights; protection especially of the rights of the minority in this house—and in the circumstances of today, that includes all parties.

The office requires, to the highest possible degree, as the Prime Minister has emphasized, qualities of wisdom and patience, of firmness and tact, with an unswerving regard for complete fairness and a total impartiality in presiding over the deliberations of this house. It is the duty of every hon. member of the house to support the Speaker as he displays these qualities in the discharge of his duties.

It gives me, as one member of this house, the greatest possible pleasure to join the Prime Minister in the tribute he has paid to the speaker of the last parliament who has shown these qualities to an exceptional degree.

Some hon. Members: Hear, hear.

Mr. Pearson: He displayed these qualities while he was speaker in a way which gained our support, our respect and indeed our affection. He has deserved well of his party, of this house, and indeed of his country. We hope and believe that the hon. member of the house who has been nominated to succeed him will display those qualities in the same way and receive, as he will deserve, the support of all hon. members of the house.

Mr. Robert Thompson (Red Deer): Mr. Raymond, on behalf of the Social Credit members and myself, it is my pleasure to associate ourselves with the Prime Minister and the Leader of the Opposition in the support of Mr. Marcel Lambert as Speaker of this twenty fifth parliament. While Mr. Lambert is not a personal acquaintance of long standing, I feel confident that he will uphold the traditions of this most important office in a manner befitting the dignity and responsibility which the position offers to him.

Mr. Lambert follows in the footsteps of a man who, through the very high standard with which he carried out his duties in the last parliament, gained the respect and admiration of every hon. member. I say this with a certain amount of pride because the former speaker is a native of my own city and we are proud of the record of achievement in public service that has been established by him and by his father before him.

I am confident that as an Albertan Mr. Lambert will prove his ability and good judgment and fairness. Mr. Lambert's military record, his academic achievements and his parliamentary experience have given him a background which fits him well into these new responsibilities.

While election campaigns often bring expressions and statements which may not be compatible with the position of neutrality

which a Speaker must hold if he is to maintain the confidence of all hon. members of this house, I am sure that each one of us understands that it is our responsibility as members of this parliament and as Canadians to put aside all such things in an effort to face up to the job which is before us.

I was interested in the remarks made by the Prime Minister and also by the Leader of the Opposition in regard to a permanent speaker. We trust that during this parliament we might give attention to the necessary action which would provide for this house a permanent speaker, and thus not only add to the respect of the office but also assist the holder of that office in the performance of his duties. Remembering that rules are made to be obeyed, we will to a man give Mr. Lambert our full support.

I am sure no one knows better than Mr. Lambert himself that the fulfilling of this office will not be easy in this house of minorities, but I assure him of the co-operation and support of all the members of our group.

Mr. H. W. Herridge (Kootenay West): Mr. Raymond, according to long established custom, we join with the Prime Minister, the Minister of Transport and the leader of the official opposition in supporting the nomination of a Speaker for this parliament.

On this solemn but, I am sure it is correct to say, happy occasion I feel that the environs of this house are surrounded by the draperies of history and with recollections of what that history means to us all. This ritual without rule, this ceremony without catalogue, represents our witness to a thousand years of history that forged our parliamentary and democratic institutions. Throughout the centuries these have been threatened on numerous occasions, the last time by those exponents of despotic rule, Hitler and Mussolini. Fortunately for us and future generations, millions gave their lives in defence of these institutions. We express our gratitude and honour their memory in our allegiance to parliamentary institutions, practice and procedure. Election to the office of Speaker is the greatest honour and privilege within the gift of this house; a unique office, with a distinctive tradition.

At this point, Mr. Raymond, I wish to associate the occupants of this most important corner of the house with the tribute paid by the Prime Minister and the leader of the official opposition to the former speaker. I am sure he had the respect and affection of all of us, and we will long remember our association with him in this house. We trust that in the future we will see some improvement in the procedure with respect to the election of the Speaker of this house. I have often thought, Mr. Raymond, that it was most inhuman to expect a person to practice impartiality in this house and then thrust him on the hustings to fight an election on a partisan basis. I hope we will become more mature and accept the British practice in a form acceptable to our Canadian procedures in this respect.

Election to the office of Speaker is a great honour and privilege. Today there is a house very different from those in which I have had the privilege of sitting since my election in 1945. Here we have a minority government, and I was very interested to hear the leader of the official opposition recognize the fact that there were a number of minority parties. Consequently our Speaker is presented with a situation that will require him to tax his wisdom and tether his impatience.

It is the responsibility and duty of the Speaker to protect the individual rights of each member of this house and the rights of all groups that are in a minority position. I think it is quite correct to say that this parliament represents a particular challenge to our Speaker and all the members of this house. However, we believe that in Mr. Lambert, the hon. member for Edmonton West, we have a Speaker who will endeavour to carry out his responsibilities with complete impartiality as the champion of this legislature, which is his prime function.

In conclusion, I join with the Prime Minister, the Minister of Transport and the leader of the official opposition in supporting the election of Mr. Lambert, the member for Edmonton West, as Speaker of this parliament, and extend to him the co-operation of this group in the practice of those parliamentary principles to which we all subscribe. We sincerely wish him every success, and trust that his term of office as Speaker will add lustre to the office and to our parliamentary history and Canadian traditions.

(Translation):

Hon. Lionel Chevrier (Laurier): Mr. Raymond, the Liberal opposition has no objection to the hon. member for Edmonton West (Mr. Lambert) being elected as Speaker of the House of Commons.

The Speaker's position is most important, as the Prime Minister just indicated, due to the nature of the function he has to fulfil in this house, because parliament itself may not operate without a Speaker. Indeed, that position is even more important than that of Prime Minister, because, if he thinks that the Prime Minister is infringing the rules of the house, the Speaker can and should call him to order.

There is also another point which should be brought to the attention of the house. The Speaker, as the Leader of the Opposition

said earlier today, has to be endowed with particular qualities of justice and fairness; he should know the rules of the house; he must use discretion and tact, and above all be able to interpret not only the letter but the spirit of the law. To this end it is essential to remember the rules of the house.

As was stated by those who spoke before me, the hon. member who holds the office of Speaker of the house must also be an able and experienced member of parliament.

We on this side remember how the predecessor of the hon. member for Edmonton West acted when we were but some fifty-odd Liberal members here. We seldom had to complain about the rulings made by the Hon. Mr. Michener, a calm, cool and competent man. The former speaker had never shown any partisanship before his election to that office; he had participated in several debates but he was never guilty of partisanship. Consequently, once he was in the chair he never had any trouble in upholding the rules of the house, and he was always tactful when making a ruling.

The member for Edmonton West has sometimes shown political partisanship in this house. As far as we are concerned it is a thing of the past, we have forgotten it and, as of now, we want to turn a new leaf in the history of our proceedings. I am convinced, therefore, that if the hon. member for Edmonton West will follow in his predecessor's footsteps, he will not only enjoy the admiration and respect of his colleagues in the house but will also discharge his duties to everyone's satisfaction.

I would be remiss in not congratulating warmly the hon. member on his nomination and offering him my best wishes in his new duties.

Mr. Real Caouette (Villeneuve): Mr. Raymond, in agreement with the leader of our party, the hon. member for Red Deer (Mr. Thompson), we readily support the appointment of Mr. Lambert as Speaker of the house.

I do not have the pleasure of knowing Mr. Lambert personally. However, after hearing everyone speak so well of him, I believe he will prove to be an impartial Speaker who will safeguard the rights of minorities and of every member of this house and who will probably protect also this august assembly against the infiltration of subversive ideologies, such as state socialism, for instance, and communism.

At all events, I can assure the house that we shall fully support the Speaker. We shall co-operate with him as much as possible so that this parliament may bring to the people the results they expect from every member elected by them.

(Text):

The Clerk of the House declared the motion carried in the affirmative, *nemine contradicente,* and Marcel Joseph Aime Lambert, Esquire, member for the electoral district of Edmonton West, duly elected to the chair of the house.

Mr. Lambert was conducted from his seat in the house to the Speaker's chair by Right Hon. J. G. Diefenbaker and Hon. Leon Balcer.

(Translation):

Mr. Speaker: Hon. members of the House of Commons, may I first beg the house to kindly accept my humble thanks for the great honour conferred upon me in electing me as Speaker. As a token of sincere appreciation, may I simply say thank you for your courtesy and your generosity.

I feel embarrassed by the excessive praise bestowed upon me, not only by the Prime Minister (Mr. Diefenbaker), but also by the Leader of the Opposition (Mr. Pearson) and by the members for Red Deer (Mr. Thompson), Kootenay West (Mr. Herridge), Laurier (Mr. Chevrier) and Villeneuve (Mr. Caouette).

I assure you that you will not be disappointed and I do hope that our deliberations will achieve worth-while results, in keeping with the responsibilities imposed upon each and every member of the House of Commons and Canadian parliament by the people of Canada. If it can be said that a newly-elected Speaker takes a pledge, then I feel that I could do no better, to convey its meaning, than to repeat the words expressed by my renowned predecessor when he himself was elected Speaker on May 12, 1958, and I quote:

> It will be my aim and my duty as the servant of the house, and with your approval, to uphold these principles and traditions, securing to each hon. member the right to express his opinions within the limits necessary to preserve decorum; protecting the recognized privileges of hon. members, of minorities and of the house itself; facilitating the transaction of public business in an orderly manner and with due economy of time and, above all, seeking to be fair and impartial in such decisions as you entrust to me.
>
> If these are also your objectives, as I think they are, I ask for your patience and co-operation in approaching them.

Hon. members of the House of Commons, I thank you.

(Text):

Hon. members of the House of Commons, I beg to return my humble acknowledgements

for the great honour you have been pleased to confer upon me in electing me as your Speaker. These are almost hallowed and traditional words directed to his colleagues by a member of the house when he is newly elected to this position. After listening to the Prime Minister, the Leader of the Opposition and those gentlemen who followed them speak with regard to the awesome requirements of this position, and having heard those things which have been said about me—or which I gather were being said about me, for I fail to see them—I wish to thank you one and all for this public expression of your confidence in me. May I simply say that I hope I merit this confidence. I wish to thank all those who privately have wished me well and have said so many nice things about me. I also wish to thank my family for having supported me in my career to date. I feel that this house has conferred a special honour upon my province, upon my city and upon my constituency in naming me the presiding officer of the House of Commons. On their behalf I wish to thank you.

If there can be said to be an undertaking or an engagement by a newly elected Speaker, I feel that I can do no better than to quote the words of my illustrious predecessor, who I am pleased to see in this house today, on the occasion of his re-election as speaker on May 12, 1958:

> It will be my aim and my duty as the servant of the house, and with your approval, to uphold these principles and traditions, securing to each hon. member the right to express his opinions within the limits necessary to preserve decorum; protecting the recognized privileges of hon. members, of minorities and of the house itself; facilitating the transaction of public business in an orderly manner and with due economy of time and, above all, seeking to be fair and impartial in such decisions as you entrust to me.

I realize that the composition of this house has changed although, as may be recalled, in 1957 when I first entered it the general balance of members was not dissimilar. I am sure there may be some rather rapid exchanges and that the cross-fire may become rather acute at times but, of course, all within the rules. In these exchanges as, perhaps haltingly at times, I will deal with the business of the house, I would hope that you not make me your primary target and that if you have any sharpshooting to do you either pick on somebody else or, as the duck shooting season is now open, you practice your marksmanship outside the confines of this house.

I hope we shall have productive days ahead of us within the rules of the house, which I would commend to all hon. members, particularly those who have been elected for the first time, and I trust that we shall conduct the business of the house with dispatch and efficiency but with free and unfettered discussion.

[Mr. Speaker.]

Again I wish to thank you all for the honour which you have conferred upon me.

SITTING SUSPENDED

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, it is my privilege to address you for the first time in your new capacity in the high position to which you have been called, and to suggest that this sitting be now suspended, to resume at three o'clock this afternoon.

Mr. Speaker: The house has heard the suggestion of the Prime Minister that this sitting be suspended until three o'clock this day. Is it the pleasure of the house to concur in this suggestion?

Some hon. Members: Agreed.

Mr. Speaker: I declare the sitting suspended until the ringing of the bells at 3 p.m. this day.

At 12.10 p.m. the sitting was suspended until 3 p.m. this day.

SITTING RESUMED

The house resumed at three o'clock.

OPENING OF THE SESSION

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

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

> Mr. Speaker, it is the pleasure of His Excellency the Governor General that this honourable house attend him immediately in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber. Then Hon. Marcel Lambert, Speaker of the House of Commons, said:

Then Hon. Marcel Lambert, Speaker of the House of Commons, said:

May it please Your Excellency:

> The House of Commons have elected me their Speaker, though I am but little able to fulfil the important duties thus assigned to me.
>
> If in the performance of those duties I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons, whose servant I am, and who, through me, the better to enable them to discharge their duty to their Queen and country, humbly claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to Your Excellency's person at all seasonable times, and that their proceedings may receive from Your Excellency the most favourable construction.

The Honourable the Speaker of the Senate, addressing the Honourable the Speaker of the House of Commons, then said:

Mr. Speaker, I am commanded by His Excellency the Governor General to declare to you that he freely confides in the duty and attachment of the House of Commons to Her Majesty's person and government, and not doubting that their proceedings will be conducted with wisdom, temper and prudence, he grants and upon all occasions will recognize and allow their constitutional privileges.

I am commanded also to assure you that the Commons shall have ready access to His Excellency upon all seasonable occasions, and that their proceedings, as well as your words and actions, will constantly receive from him the most favourable construction.

Then His Excellency the Governor General was pleased to open parliament by a speech from the throne.

And the house being returned to the Commons chamber:

Mr. Speaker: I have the honour to report that, the house having attended on His Excellency the Governor General in the Senate chamber, I informed His Excellency that the choice of Speaker had fallen upon me, and, in your names, and on your behalf, I made the usual claim for your privileges, which His Excellency was pleased to confirm to you.

OATHS OF OFFICE

Right Hon. J. G. Diefenbaker (Prime Minister) moved for leave to introduce Bill No. 1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

SPEECH FROM THE THRONE

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

Honourable Members of the Senate:

Members of the House of Commons:

I welcome you to this first session of the twenty fifth parliament of Canada.

I know I speak for all Canadians when I say how pleased we were to have Her Majesty Queen Elizabeth the Queen Mother with us again. Her warmth and charm have added to the loyalty and affection for the crown and our Queen.

This spring His Royal Highness the Duke of Edinburgh spent several weeks here in connection with his second study conference on the human consequences of the changing industrial environment in the commonwealth and empire. Her Royal Highness the Princess Royal, during her stay in Canada last June, carried out her program of engagements with simplicity and grace.

Canada has been honoured in the last few days by a visit from the President of Pakistan, His Excellency Ayub Khan, who accompanied my Prime Minister on his return from the commonwealth conference. We were happy to greet this distinguished leader of a great commonwealth nation and to discuss with him matters of mutual interest.

Since we last met in this chamber my wife and I have visited many parts of Canada and have received at Government House a great number of societies and organizations, including representatives of student groups and youth movements. We have been deeply impressed with the expressions of loyalty to the crown by people in all walks of life.

The meeting of commonwealth prime ministers just concluded has again provided an opportunity for frank discussions at the highest level and a demonstration of the close relationship which distinguishes this unique association of free nations. Canada joined in welcoming four new self governing members of the commonwealth—Sierra Leone, Tanganyika, Jamaica, and Trinidad and Tobago.

The commonwealth conference discussed Britain's negotiations with the European economic community and the economic and political implications for the commonwealth and its members of possible British accession to the community. Canada has a vital concern in these issues and the government will spare no effort to safeguard the interests of Canada while preserving the unity and strength of the commonwealth as a whole.

Far reaching changes are taking place in the trading relationships between nations and groups of nations. New opportunities are opening up for fruitful negotiations to reduce the barriers to trade on a general, non-discriminatory basis. My government believes and has proposed that these important subjects should receive comprehensive consideration at a conference of representatives of like minded nations.

Canada has continued to play an increasingly effective role in international affairs. The division of Germany and the position of Berlin remain a source of friction despite continuing efforts to find a basis for a negotiated settlement. So long as the communist powers continue actions that bring tension and distrust, Canada's defensive capability must be maintained both at home and on the frontiers of the North Atlantic Treaty Organization in Europe and in the Atlantic.

The threat of war can be eliminated only by reaching effective international agreement on disarmament verified by means that inspire confidence. Canada will persist in its efforts to achieve this end.

Canadians have noted with satisfaction the establishment by the United Nations and the food and agriculture organization, of a world food program based on a proposal put forward by my ministers. You will be asked to authorize a Canadian contribution to this program.

My government will ask you, as a significant step in rounding out the concept of confederation, to consider a resolution to provide for the "repatriation" of the constitution of Canada and to invite the concurrence of the provinces to this end.

As another means of making manifest the Canadian identity, my government will invite the provinces to a conference for consultation regarding the choice of a national flag and other national symbols.

Measures will be placed before you to provide for the division of the Northwest Territories into two territories, and to provide more self government for the residents of that area as a step toward the ultimate creation of new provinces in Canada's great north.

You will be requested to enact measures to give effect, with modifications, to certain of the recommendations of the royal commission on publications.

Speech from the Throne

Legislation respecting the Senate will be introduced.

To ensure that the redistribution of electoral districts is made objectively and impartially, you will be asked to approve a bill to establish an independent commission to recommend redistribution.

A measure will be placed before you to establish an Indian claims commission to investigate claims on the part of various tribes and bands that certain of their rights have been restricted or abrogated, and to make recommendations for the equitable and final settlement of such claims.

Economic activity in Canada has moved ahead sharply. This strong advance has resulted in more than 200,000 new jobs during the past twelve months. The objective of my government is to accelerate this pace of advance. This would mean the creation over the next five years of more than 1 million new jobs and a corresponding growth in gross national product and in production for both the export and domestic market, already at record levels.

Such high levels of activity have not prevented the emergence of foreign exchange difficulties similar to those which confronted Canada in crisis proportions in 1947, and to those which have affected other major trading nations more recently. In June my government found it necessary to put into immediate effect a comprehensive program to strengthen the country's exchange reserves. Since that time Canada's exchange reserves have increased substantially. It is my government's firm intention to remove the import surcharges included in this program as soon as circumstances permit.

My government will continue to take positive, constructive measures to strengthen Canada's balance of international payments. The recently stabilized exchange rate for the Canadian dollar has greatly helped Canadian producers in all parts of Canada both in the domestic and export markets. The new exchange rate is contributing as well to a large expansion in the Canadian tourist industry, which has also been aided by joint efforts of the federal and provincial governments.

Canada's development will continue to require imports of capital, and to this end my government will maintain a climate in Canada hospitable to foreign investment.

As one of my government's measures to develop the Canadian economy, maintain a high level of employment and strengthen the balance of payments, you will be asked to approve legislation establishing a national economic development board. This board would be broadly representative and would review and report upon the state of the economy and upon economic policies. It would also have the duty of recommending to the government particular projects or measures which it considers would be in the interest of national development, including projects which may require direct governmental participation by way of financial aid or otherwise.

The objective of my ministers is a balanced budget. This will require the exercise of restraint in respect of controllable spending and an increased concentration of available resources on essential national projects designed to ensure the expansion of the Canadian economy. Steps will be taken to improve further the efficiency of government operations. The report of the royal commission on government organization will be helpful in achieving this improvement of administration while maintaining the high status of the Canadian public service. A program of economies in government expenditures will be reflected in the revised estimates to be placed before you.

A royal commission has been established to review the whole field of federal taxation and its impact on the Canadian economy, and to recommend reforms and improvements.

[Mr. Speaker.]

The purposes of the fiscal measures to be placed before you at this session will be the creation of better employment opportunities for the Canadian people, the promotion of a high rate of economic growth, the strengthening of Canada's balance of international payments and the maintenance of stability in prices. New budget measures will be introduced to provide further solutions to long term problems.

My ministers will reintroduce the resolutions submitted in the last budget which had as its central purpose the encouragement of economic growth. This will include the production incentive provided to manufacturing and processing companies by cancelling one half of the tax on the first $50,000 of taxable income arising from increased sales and one quarter of the increased tax on any additional income arising from increased sales. It will also include the measure to grant to individuals and companies the right to charge petroleum drilling and exploration expenses against income from oil and gas production, and to permit certain expenditures made to acquire oil and gas rights to be deductible for tax purposes. The measure to allow a special tax credit in respect of provincial logging taxes will also be reintroduced in order to remove discrimination in the taxation of logging operations. Iron mining companies will be added to the list of companies which are exempt from the special tax on income earned in Canada by branches of non-resident corporations. The measure will also be reintroduced to increase by $50 per year the income tax deductions allowed for children.

My government intends to press forward in co-operation with Canadian industry to secure a greater and more rapid application of science to industrial production. You will be asked to approve the new tax incentive announced in the last budget for corporations undertaking increased expenditures on scientific research in Canada. Dramatic evidence of successful co-operation between Canadian science and industry has been given this week in the opening of Canada's first nuclear power generating station.

Canada's prosperity and growth must ultimately rest in large measure upon its exports. To achieve adequate export levels it will be necessary to increase further Canada's capacity to produce competitively and its ability to sell in export markets. The government's industrial programs are directed toward these ends. Its commercial policy negotiations have the objective of opening additional markets to Canadian producers in fair exchange for opportunities for others to sell in Canada. The vigorous campaign of export trade promotion will be expanded to enlarge the sales of Canadian products in foreign markets. You will be asked to provide the funds necessary for this increasing trade promotion work. Amendments to the Export Credits Insurance Act will also be placed before you, to double the insurance liability which the corporation may assume and to improve the arrangements for long term financing.

You will be asked to authorize the establishment of an Atlantic development board to advise on measures and projects that will promote the economic development of the Atlantic region of Canada.

Amendments will be requested in the Industrial Development Bank Act to enlarge still further this bank's important role in national development.

The prosperity of agriculture remains essential to the well-being of the entire Canadian economy. Canada is blessed this year with very large crops of good quality, and export markets for Canadian agricultural products have been greatly enlarged.

My ministers recognize that livestock is occupying a position of increasing importance in Canadian agriculture. They propose that a program

be instituted to ensure the availability of storage facilities and continuity of supplies of feed grain to match the expanding requirements for livestock production, particularly in the areas of British Columbia and eastern Canada where supplies of feed grain are normally deficient.

The program of rehabilitation and development of agricultural lands is proceeding actively and you will be asked to provide funds for it.

Legislation will be proposed to enlarge the funds of the Farm Credit Corporation, and allow greater flexibility in their use.

The need for training in agriculture and the present facilities have also been under review and as a sequel to these studies, a national conference on agricultural training is to be convened this fall.

The development and use of Canada's resources of energy must be a central feature of the program for national economic growth. The twenty fourth parliament has laid the groundwork for this in the National Energy Board Act and in other measures.

It is hoped that arrangements will soon be completed that will make it possible to submit for your approval the Columbia river treaty and the legislation required in parliament to implement it.

The national oil policy introduced by the government two years ago has brought about a gratifying increase in the production and sale of Canadian oil.

Studies will be continued, in co-operation with the provinces, in relation to the long distance high voltage transmission of electrical power and the development of potential sources of hydroelectric power with a view to the ultimate establishment of a national power grid, which will facilitate the orderly utilization of the hydroelectric potential of Canada in the interests of expanding Canadian development and progress. Discussions are in progress with the government of Manitoba in respect to studies of the Nelson river system.

My ministers have come to the conclusion that large scale, long term contracts for the export of power surplus to Canada's needs, present and potential, should now be encouraged in order to expedite the development of major power projects in Canada which are too large to be supported by the domestic market. Such exports can also strengthen our balance of payments.

In recognition of the important role of transportation in the Canadian economy, you will be asked to approve measures to give effect to recommendations of the royal commission on transportation which has now completed its comprehensive analysis of the Canadian railway problem. These changes are intended to remove the need for general horizontal freight rate increases which have borne so heavily in the past upon certain areas and groups of producers. You will also be asked to provide for an extension of the Freight Rates Reduction Act and the other interim railway subsidies provided by appropriation.

Amendments will be proposed to the Canada Shipping Act to preserve for Canadian vessels the coasting trade in the St. Lawrence and great lakes area. Funds will be requested to implement the program of shipbuilding subsidies announced some months ago.

You will be asked to provide for the continuation of the winter works program to assist municipalities in meeting seasonal unemployment.

Far reaching changes are taking place in manpower requirements in Canadian industries as a result of automation, other technological developments and world competitive pressures. A measure will be placed before you designed to assist employers, workers and their organizations in meeting the impact of industrial change.

My government will also place before you legislation to provide safeguards against accidents and hazards in works and undertakings within the federal fields of jurisdiction.

The committee inquiring into matters relating to the unemployment insurance fund is expected to submit its report this autumn. Following consideration of this report, appropriate measures will be placed before you.

In order to permit the introduction of a national system of contributory old age pensions with disability and survivor benefits, an amendment to the British North America Act is required. The governments of all provinces except Quebec and Newfoundland have concurred in such an amendment. My government is prepared to recommend to you the approval of an address to Her Majesty requesting the amendment when the concurrence of these remaining provinces has been received.

As pension plans have become ever more widely extended in Canadian business, it has been increasingly recognized that measures are essential to protect the interests of those affected and in particular to ensure that the benefits earned are portable when workers move from job to job. Provincial legislation would be required for this purpose in most cases, and several provinces are considering proposals of this nature. My government will be prepared to place before you complementary legislation to deal with industries under federal jurisdiction when adequate progress has been made by provinces.

A measure will be placed before you to authorize the establishment of a national council of welfare to make more fully effective the action of both federal and provincial governments in this field.

You will be asked to approve amendments to the Food and Drugs Act to provide for more effective control of the distribution and sale of drugs in the interests of the public health.

You will be asked to enact legislation to provide for the establishment of a national medical research council.

Legislation will be reintroduced to authorize the payment by federal crown corporations of certain provincial commodity taxes and fees.

Legislation will be proposed on university grants which will include authorization of payment of the higher grants announced some months ago and will provide alternative arrangements where supplementary provincial grants are made in lieu of federal grants.

A bill will be introduced to authorize a revision and codification of all federal statutes.

Bills will be introduced to amend the Judges Act, the Aeronautics Act, the Bankruptcy Act, the Coal Production Assistance Act and the Currency, Mint and Exchange Fund Act, and other statutes.

Members of the House of Commons:

You will be asked to appropriate the funds required to carry on the services and payments approved by parliament.

You will be asked to abolish closure and to re-establish the special committee on procedure of the house.

Honourable Members of the Senate:

Members of the Commons:

I pray that God in His wisdom may enlighten you in the discharge of your duty toward our country.

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That the speech of His Excellency the Governor General to both houses of parliament be taken into consideration at the next sitting of the house.

Motion agreed to.

House of Commons

THE MINISTRY

ANNOUNCEMENT OF CHANGES AND APPOINTMENTS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, it is customary at this time to announce changes that have taken place in the ministry since the previous session. The following changes were made effective August 9, 1962:

Hon. Donald Methuen Fleming, Minister of Justice and Attorney General; formerly Minister of Finance.

Hon. Edmund Davie Fulton, Minister of Public Works; formerly Minister of Justice and Attorney General.

Hon. George Clyde Nowlan, Minister of Finance and Receiver General; formerly Minister of National Revenue.

Hon. Ellen Louks Fairclough, Postmaster General; formerly Minister of Citizenship and Immigration.

Hon. Hugh John Flemming, Minister of Forestry and Minister of National Revenue; formerly only Minister of Forestry.

Hon. George Ernest Halpenny, Secretary of State for Canada, formerly Minister without Portfolio.

Hon. Paul Martineau, Minister of Mines and Technical Surveys.

Hon. Richard Albert Bell, Minister of Citizenship and Immigration.

Hon. Senator Malcolm Wallace McCutcheon, Minister without Portfolio.

I should like also to announce that the following have been appointed parliamentary secretaries as of August 17 last:

Theogene Ricard (St. Hyacinthe-Bagot) ... G. W. Baldwin, Q.C. (Peace River)	To Prime Minister
H. N. Macquarrie (Queens)	To Secretary of State for External Affairs
Thomas M. Bell (Saint John-Albert)	To Minister of Justice
W. B. Nesbitt, Q.C. (Oxford)	To Minister of Trade and Commerce
J. A. McBain (Elgin)	To Minister of Transport
H. F. Jones (Saskatoon)	To Minister of Veterans Affairs
R. J. McCleave (Halifax)	To Minister of Public Works
W. H. Grafftey (Brome-Missisquoi)	To Minister of Finance
A. DeB. McPhillips (Victoria)	To Minister of Fisheries
A. D. Hales (Wellington South)	To Minister of Labour
Mrs. Jean Casselman (Grenville-Dundas)	To Minister of National Health and Welfare
W. H. Jorgenson (Provencher) ..... L. J. Pigeon (Joliette-L'Assomption-Montcalm)	To Minister of Agriculture
J. A. McGrath (St. John's East)	To Minister of Mines and Technical Surveys
F. C. McGee (York-Scarborough)	To Minister of Citizenship and Immigration

INTERNAL ECONOMY COMMISSION

Right Hon. J. G. Diefenbaker (Prime Minister) presented the following message from His Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an Order in Council appointing the Hon. Leon Balcer, Minister of Transport, the Hon. Gordon Churchill, Minister of Veterans Affairs, the Hon. George Clyde Nowlan, Minister of Finance, and the Hon. Ellen Louks Fairclough, Postmaster General, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter 143 of the Revised Statutes of Canada, 1952, intituled: An Act respecting the House of Commons.

HOUSE OF COMMONS

APPOINTMENT OF CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. J. G. Diefenbaker (Prime Minister): I should now like to place before the house the nomination for the chairmanship of the committee of the whole house. I therefore move, seconded by Mr. Churchill, that Mr. Gordon Campbell Chown, member for the electoral district of Winnipeg South be appointed chairman of committees of the whole house.

Mr. Chown, a young man of 40 years of age, educated at the University of Manitoba and at Queen's University, is a lawyer by profession. In the last world war he enlisted in the army as a private and rose to the rank of captain. Before coming to the House of Commons he served in a civic capacity as an alderman of the city of Winnipeg for a period of three years. He has been a member of the House of Commons for a number of years during which time he discharged responsibilities akin to those which he would now assume if his nomination were accepted by the house. It can be said that in the discharge of those duties he showed those characteristics of fairness and impartiality needed and requisite of anyone occupying the important position of chairman of committees.

Hon. L. B. Pearson (Leader of the Opposition): I rise in order to express our entire approval of the nomination made by the Prime Minister. In the last parliament the hon. member for Winnipeg South served as chairman of committees. In that capacity he showed tact, fairness and complete impartiality. We are sure that in his more responsible position in this parliament he will show those same qualities, and we should like to support his nomination.

Mr. H. W. Herridge (Kootenay West): On this occasion we can agree with the leader of the official opposition. There is no need for me to repeat what he has so well said. What he has said we support.

Motion agreed to.

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. J. G. Diefenbaker (Prime Minister): I should like now to nominate a deputy chairman of the committees of the whole. I place before hon. members of this house the name of Mr. Remi Paul, the hon. member for Berthier-Maskinonge-Delanaudiere.

Elected first in the general election of March, 1958, he has been an outstanding member of the house. He is a member of the bar, well acquainted with the rules of parliament.

(Translation):

Mr. Speaker, I move, seconded by Mr. Churchill (Minister of Veterans Affairs):

That Remi Paul, member for the electoral district of Berthier-Maskinonge-Delanaudiere, be appointed deputy chairman of the committees of the whole house.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, the Liberal opposition is pleased to accept the Prime Minister's suggestion concerning this appointment, which is a very important one and in which we rejoice. May I only offer our best wishes to the new incumbent in the fulfilment of his new duties.

(Text):

Motion agreed to.

BUSINESS OF THE HOUSE

Right Hon. J. G. Diefenbaker (Prime Minister): I think that concludes the business for today and I therefore move, seconded by Mr. Churchill:

That the house do stand adjourned until tomorrow at 2.30 p.m. notwithstanding the provisions of standing order No. 2 subsection 1.

Motion agreed to and the house adjourned at 5.02 p.m.

HOUSE OF COMMONS

Friday, September 28, 1962

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

PROCEDURE RESPECTING QUESTIONS ON ORDER PAPER

Mr. Speaker: Before calling orders of the day I think it would be helpful both to the Chair and to hon. members if I were to refer to Beauchesne and also the standing orders of the house, which I understand all hon. members have in their possession, and merely draw attention, particularly for the benefit of new members, to standing order No. 39 and to citation 171 on page 147 of Beauchesne and those citations which follow on the subsequent pages, dealing with questions. I think a careful study of the standing order and of the commentaries would help both the Chair and hon. members in the proper conduct of the business of this house.

TRADE

CUBA—RUSSIAN CARGOES CARRIED IN CANADIAN SHIPS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he has any comment to make on press reports that a number of vessels owned by Canadian companies but registered in the United Kingdom have been carrying material from the Soviet union to Cuba?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the government has investigated reports which were alluded to by the Leader of the Opposition, that eight Canadian owned ships are involved in carrying cargo between the U.S.S.R. and Cuba. I would point out that all ships referred to in the press report, although apparently Canadian owned, are under the British flag and are operated and managed by British companies. Five of the ships have always been under British registry since they were built during the war. The other three were transferred to British registry under an arrangement worked out in 1950.

As the hon. gentleman knows, under maritime law and general international practice, ships are subject to the laws of the country under whose flag they operate.

Hon. Lionel Chevrier (Laurier): May I ask a supplementary question of the Secretary of State for External Affairs. Having regard to the fact that these vessels to which the Prime Minister has referred are considered by the government as a contribution to any allied shipping arrangements in case of emergency, and notwithstanding what has just been said, does the minister feel that this kind of trade is in conformity with that policy?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the hon. member, as a former minister of transport, should have asked a much more sensible question than that. He knows very well that the answer given by the Prime Minister was the correct one. These ships, under the law, are British ships under British registry and not under Canadian registry. They were put there while the hon. member for Laurier was minister of transport.

Mr. Chevrier: I should like to ask a supplementary question of the minister, who did not take the trouble to answer my first question.

Mr. Green: Because it was a foolish question.

Mr. Chevrier: Let me add this. Having regard to the fact that these ships, notwithstanding that they are under British registry, pay income tax to the government of Canada, does the minister consider under these circumstances that this policy is in accordance with the policy of the government?

Mr. Green: Well, I have never heard of ships paying income tax.

PUBLIC SERVICE

REQUEST FOR IMPLEMENTATION OF SALARY REVISIONS

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): May I direct a question to the Prime Minister. In view of the serious unrest amongst federal civil servants, will the Prime Minister assure the house that he will give immediate consideration to a request by the civil service association for an immediate implementation of salary revisions for classes in group B of the cyclical salary review program—

Mr. Speaker: Order. I should like to draw to the attention of the hon. member, who

while he is a new member at this time has had previous experience in this house, the fact that the question he is posing at the moment would be more appropriate for the order paper.

Mr. Byrne: Mr. Speaker, I have already indicated that there is serious unrest amongst civil servants in Canada. This is a question which is of great importance at this time.

Mr. Speaker: With the greatest respect to the hon. member, I am of the opinion that questions should seek information and not proffer it.

Hon. Paul Martin (Essex East): Mr. Speaker, may I with great respect suggest that the question was a proper one. The hon. gentleman was seeking to ascertain what was government policy with regard to the kind of negotiations, or instrument for negotiation, through which the civil service wished to carry on talks with the government. Surely that is a proper question. I think the hon. gentleman, under our rules and traditions, should not be denied the opportunity of putting that question.

Mr. Speaker: In reply to the hon. member for Essex East I feel that although the intentions of the hon. member for Kootenay East may have been legitimate, they did not appear to be so in the form in which the question was asked.

[*Later:*]

Mr. Byrne: May I put my question in somewhat different form to the Prime Minister in the hope that he may see fit to answer it. Would the Prime Minister inform the house what consideration is being given to the civil service request that group B be considered for increases, and will all increases be made retroactive to October 1?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I really do not see any difference between the earlier question and the present one.

HEALTH AND WELFARE

THALIDOMIDE—REQUEST FOR CONSIDERATION BY COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the many in the country who are concerned about the matter, will the government consider setting up a committee of the house to examine into the circumstances surrounding the sale and distribution of thalidomide, to consider what is being done to aid the victims, and to take steps to prevent a recurrence of such a tragedy?

Hon. J. W. Monteith (Minister of National Health and Welfare): As hon. members have read in the speech from the throne, steps are being taken by way of amendment to the Food and Drugs Act, and when they are introduced I am sure every opportunity will be given to all hon. members to discuss the subject.

Mr. Knowles: If the minister cannot answer my question then I shall put a supplementary one. After the amending bill has been given second reading will it be referred to a committee of the house?

Mr. Monteith: No, I cannot say that.

[*Later:*]

Mr. D. R. Mitchell (Sudbury): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Can the minister advise whether immediate consideration is being given to the separation of the food and drug directorate in his department, which will result in better inspection service?

Mr. Monteith: No, Mr. Speaker.

POWER

COLUMBIA RIVER—REFERENCE OF TREATY TO HOUSE COMMITTEE

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I wish to direct a question to the Secretary of State for External Affairs and ask him whether the commitment he made during the 24th parliament that the Columbia river treaty would be referred to the external affairs committee will be honoured.

Hon. Howard C. Green (Secretary of State for External Affairs): If I remember the commitment correctly, it was that the treaty would be referred to the external affairs committee before ratification.

EXTERNAL AFFAIRS

INQUIRY AS TO EXTENSION OF TERRITORIAL WATERS

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I wish to direct a question to the Secretary of State for External Affairs. Is the minister in a position to make any announcement with regard to the negotiations to extend the present fishing limits, which are so important to our fishing industry?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, since the end of the second conference on the law of

the sea we have carried on exploratory talks with a number of countries concerning the possibility of working out a broad agreement on a number of questions left unsettled by the two conferences. As yet I am not able to report any definite conclusions as a result of the conversations.

INDUSTRY

CANADIAN OIL COMPANY—SUGGESTED POSTPONEMENT OF TAKEOVER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Prime Minister. In view of the indication in the throne speech that legislation will be introduced to establish a national economic development board whose duties would include reporting upon economic policies and recommending projects which may require direct governmental participation, will the Prime Minister consider asking the directors of Canadian Oil Company to defer final acceptance of Shell Oil Company's takeover bid until this important matter could be examined by the proposed national economic development board to see whether it is in the best interests of Canada?

Mr. Speaker: Order. In respect to that question, I have some difficulty in seeing in what way a matter of policy should be announced, and how this particular question would not be the responsibility of the ministry.

TRANSPORT

NANAIMO-VANCOUVER—REQUEST THAT STEAMSHIP SERVICE BE CONTINUED

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to address a question to the Minister of Transport. Will the minister join all of Vancouver island north of the Malahat in urging the C.P.R. not to withdraw on October 1 its passenger steamship service between Nanaimo and Vancouver, at least until some suitable alternative method of transportation has been provided?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, this situation was brought to my notice earlier, with the request that the federal government intervene to preserve the service. On looking into the matter then it was my conclusion that there were no grounds for federal intervention. The facts seem to be that the Canadian Pacific action has been occasioned, at least in part, by the very active competition of the provincially operated ferry system. Within the last few years the province has organized a very efficient ferry service connecting Vancouver and Victoria, and has more recently acquired the Vancouver-Nanaimo service of Blackball Ferries. I would think that any question of extending the Canadian Pacific services to be cancelled would be a matter to be taken up directly with the provincial government.

[*Later:*]

Mr. Barnett: Mr. Speaker, I should like to address a question to the Minister of Transport, supplementary to the question I asked a little earlier about the C.P.R. steamship services in British Columbia. In view of his statement that the government of Canada has no jurisdiction over the continued operation of such services, will he consider introducing an amendment to the Transport Act to bring coastal steamer services under the jurisdiction of the board of transport commissioners?

Mr. Balcer: Mr. Speaker, I will give consideration to the hon. member's suggestion.

NEWFOUNDLAND—REPORTED ANNOUNCEMENT OF REDUCTION IN SERVICE

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I should like to address a question to the Minister of Transport, and I apologize for not giving him notice. Is the minister aware that Canadian National Railways have announced their intention of reducing the cross-province service to three trains per week, which would bring us back to what we had about 50 years ago? Has the minister received representations from the chamber of commerce and other interested parties about this matter?

Hon. Leon Balcer (Minister of Transport): I will take this question as notice, Mr. Speaker.

(Translation):

RICHELIEU WATERWAY—CANADIAN MEMBERS OF COMMISSION

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, I should like to put a question to the Minister of Transport. Is the minister in a position to reveal the names of the three Canadian representatives who will sit on the joint international commission to consider the deepening of the Richelieu river? That commission is supposed to meet in early October.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, as soon as I am in a position to reveal those names, I shall be pleased to impart that information to the house.

(Text):

PUBLIC WORKS

SAN JUAN BAY, VANCOUVER ISLAND—REQUEST FOR BREAKWATER

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the Minister of Public Works. Could the minister give the house an up to date report with respect to the urgent need for a breakwater in San Juan bay on Vancouver island?

Mr. Speaker: Order. I perhaps should have referred the hon. member a little earlier to standing order 39 and the references thereto. The question and all questions of this type should be placed on the order paper.

COMBINES

SUGGESTED AMENDMENT OF MERGER SECTIONS OF ACT

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a question to the Minister of Justice. My question is based upon the three recent reports of the restrictive trade practices commission regarding the paper box and related products industries, with respect to which the commission feels the merger sections of the Combines Investigation Act are too weak to have any effect.

Is it the intention of the government to introduce any amendments to these merger sections of the Combines Investigation Act during this session in order to overcome this difficulty?

Hon. Donald M. Fleming (Minister of Justice): Mr. Speaker, as has already been announced publicly, the recommendations of the restrictive trades practices commission are under study.

FISHERIES

BRITISH COLUMBIA—IMPLEMENTATION OF RECOMMENDATIONS RESPECTING LICENCES

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. Is it the intention of the government to introduce any legislation this session based on the recommendations of Dr. Sinclair with respect to licence limitations?

Hon. J. A. Maclean (Minister of Fisheries): Mr. Speaker, I wish to thank the hon. member for New Westminster for giving me notice of his intention to ask this question. No decision has been taken by the government to introduce legislation on this subject.

[Mr. Balcer.]

CHALEUR BAY, N.B.—ILLEGAL FISHING BY FOREIGN TRAWLERS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to address a question to the Minister of Fisheries. Could the minister inform the house whether he has received complaints against fishing trawlers of foreign origin, and particularly of Spanish registry, operating in the waters of the gulf of St. Lawrence and at the entrance of Chaleur bay with nets below minimum standards of mesh size requirements? If so, what action has been taken to protect Canadian fishermen against such operations?

Hon. J. A. MacLean (Minister of Fisheries): More than one report of activities by foreign fishing vessels in this general area has been made to the department. Investigations have been carried out on each occasion and the appropriate action has been taken by my department where any action was indicated. I should be glad to report further to the hon. gentleman at a later time.

(Translation):

HOUSE OF COMMONS

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Real Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Prime Minister. Is it the government's intention to substitute a program of real Canadian prosperity for the austerity program?

(Text):

Some hon. Members: Order.

Mr. Speaker: Order.

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM, B.C.—POLICY RESPECTING PENITENTIARY SENTENCES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of Justice; I apologize for not having given him notice this morning. May I ask the Minister of Justice whether, in the light of the responsibilities and jurisdiction of his department and in the interests of the maintenance of law, order, peace and good government, there are any plans of which he could advise this house to resolve the serious situation now facing the province of British Columbia as a result of the actions and policies of the Sons of Freedom?

Hon. Donald M. Fleming (Minister of Justice): Mr. Speaker, I anticipated there would be a question or questions on this subject and, if I may, I should like to make a statement in relation to the matter.

Mr. Speaker: Order. Unless the minister has unanimous consent to make a statement in reply to this question, we must revert to motions.

Mr. Fleming (Eglinton): I assure you, Mr. Speaker, it is not a statement on the orders of the day, but it will amplify the answer to the question.

Mr. Speaker: Has the minister unanimous consent to proceed?

Some hon. Members: Agreed.

Mr. Fleming (Eglinton): The attorney general of British Columbia, Hon. R. W. Bonner, has informed me by letter that on September 20 last he made a public statement asking the government of Canada to change its prison policy in relation to the Sons of Freedom Doukhobors who had been sentenced to penitentiary terms of imprisonment. His request was, in effect, that these prisoners should be dispersed among other federal institutions across Canada.

In February of this year the government of Canada was faced with the problem of arranging for the custody of large numbers of members of the Sons of Freedom sect of Doukhobors who it was expected at that time would be sentenced to penitentiary terms for acts of terrorism.

On the basis of experience gained over 30 years of dealing with Freedomites as penitentiary prisoners, it was well known to the government that they would be unlike ordinary prisoners. In the past they have failed to co-operate in any way in carrying on the normal routine of the penitentiary. They have never been prepared to take part in any work program for inmates. They have set fire to institutional buildings and equipment. They have frequently upset the prison routine by staging demonstrations and by going on hunger strikes.

In determining the course to be followed to provide custody for convicted Freedomites, the government gave full consideration to the proposal that they should be divided in groups among existing federal institutions across Canada. Because they were required to be kept under conditions of maximum security custody it was impossible to transfer them to the four medium and 12 minimum security institutions operated by the penitentiary service. There remained for consideration, therefore, only the question whether they might be divided among the six maximum security institutions operating at New Westminster, B.C., Prince Albert, Sask., Stony Mountain, Man., Kingston, Ont., St. Vincent de Paul, P.Q., and Dorchester, N.B.

These institutions now hold a total of more than 4,000 inmates. The inmate population increases day by day by reason of committals from the courts. Conditions of serious overcrowding exist in every one of these penitentiaries and will continue to exist until 1964 when construction of four new major institutions will be completed.

It was the view of the government of Canada that to introduce large numbers of Freedomite inmates into these institutions would serve no useful purpose as far as the solution of the over-all problem of Freedomites in British Columbia is concerned. Moreover, to do so would be calculated, in the government's view, to create situations in those institutions leading to explosive trouble. If such trouble did develop the result could conceivably be danger to life and the destruction of millions of dollars worth of government property. At the least it would mean the complete disruption of the inmate training program which is being continuously developed in those institutions at substantial public expense.

Sixty-eight Freedomites are now in federal custody and more than 100 others are awaiting trial. Those who are in custody have already engaged in activities such as attempted arson, refusal to eat and refusal to conform with the routines of the institutions in which they have been confined.

The position of the federal government is clear. Until such time as new construction permits the transfer of Freedomite prisoners to other maximum security institutions where they can be safely held, they will continue to be confined in Mountain prison. This is a maximum security, fireproof institution in which the Freedomites can be kept in custody at the least expense and with the least possible danger to the Canadian public.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, could I ask a supplementary on this subject. Has the government given consideration to offering its co-operation to the government of British Columbia with a view to implementing the long term, jointly sponsored program required in order to remedy this unfortunate situation?

Mr. Fleming (Eglinton): Mr. Speaker, the word "co-operation" was used in the statement issued by the attorney general of British Columbia to which I have referred. I think the federal government has extended full co-operation in this matter, and that course which I have outlined now is one which will be appreciated by the hon. member as the only proper course for the federal government to follow under existing circumstances.

Inquiries of the Ministry

IMMIGRATION

HONG KONG—INQUIRY AS TO INCREASE IN QUOTA

On the orders of the day:

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I wish to direct a question to the Minister of Citizenship and Immigration. Has the quota of 100 refugees from communism from Hong Kong been reached, and has his department made any directions to increase this number of refugees from China and Hong Kong coming to Canada?

Hon. Richard A. Bell (Minister of Citizenship and Immigration): Mr. Speaker, as of today 71 persons have actually arrived in Canada. That number consists of 35 individuals or family units. There are 48 additional applications involving 107 persons who have been approved for admission but have been held temporarily in Hong Kong pending completion of medical treatment for a condition which must be cleared up before the persons in question can come forward to Canada. Most, if not all, of these will be over here by the end of October. It is expected that by the middle or the end of November the 100 family units will have been completed, and at that time consideration will be given to a possible extension of the program.

PENITENTIARIES

DORCHESTER, N.B.—REPORTED UNSATISFACTORY SITUATION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder if I might direct a question to the Minister of Justice, and preface it by offering him my congratulations on obtaining his new position in the cabinet. My question is based on an article in the Ottawa *Citizen* of yesterday, Thursday, September 27, to the effect that guards at the federal maximum security prison in Dorchester, New Brunswick, claim that conditions among the inmates there have for some time been past the breaking point. There is further reference to the need for additional security officers. I wonder if the minister would care to comment on that.

Hon. Donald M. Fleming (Minister of Justice): Mr. Speaker, I thank the hon. member for his congratulations. I have not seen the article in question, but I shall be glad to do so and investigate its contents.

GRAIN

WHEAT—REPORTED REDUCTION IN SHIPMENTS TO LAKEHEAD

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. I wonder if the minister would care to comment on the drastic reduction in wheat exports to the lakehead during the present navigational season, and I would like to ask him whether we can expect an increase in exports during the balance of the season.

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I am very glad to see that the hon. member for Assiniboia retains his interest in the marketing of grain. I will be glad to deal with this subject on the proper occasion if the opportunity should come up.

Mr. Argue: A supplementary question. Can the minister inform the house at this time whether there is likely to be in the near future a lifting of the ban on the shipment of high grade wheat to the lakehead? This is an urgent question.

Mr. Hamilton (Qu'Appelle): Yes, Mr. Speaker, this is an urgent question. At the present time we are giving preference to the movement of low grade wheat to the lakehead to meet the requirements of the domestic market of eastern Canada.

THE BUDGET

INQUIRY AS TO INTRODUCTION OF RESOLUTIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. On what date, if we are still here, would the minister propose to introduce the budget resolutions referred to in the speech from the throne?

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, I am neither a prophet nor the son of a prophet, so I cannot say.

AGRICULTURE

BRITISH COLUMBIA—REPORTED DUMPING OF U.S. PRODUCTS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Agriculture and ask him whether any action is now contemplated to stop the flood of U.S. agricultural produce into British Columbia, which is a dumping process, three weeks before the Kootenays come into production.

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I do not know where the hon. member has been for the last five years or he would know what this government has done about the stopping of any dumping.

Mr. Winch: May I say that my hon. friend knows where I have been. I have just returned from the Okanagan and the Kootenays, where this problem exists.

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. GORDON CHAPLIN AND SECONDED BY MR. CLEMENT VINCENT

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

Mr. Gordon Chaplin (Waterloo South): Mr. Speaker, I would at this time like to extend to you my very warm congratulations on your appointment to high office. I believe that anyone who was in this house yesterday and saw you will agree that you will serve with great distinction, and I hope that in this capacity you may serve for many, many years to come.

Mr. Speaker, I am conscious of the very great honour that has been given me here today by the Prime Minister (Mr. Diefenbaker) in asking me to move the adoption of the speech from the throne. I feel very diffident, as I am sure any new member would when one considers the number of great Canadians who over the years have taken their place in this chamber. It also gives me a great sense of pride when I recall that my late father spent many years in this house as the then member for Lincoln. In those days it would never have occurred to me that I would have either the honour or the opportunity of representing in this assembly another great and historic constituency. It gives me a very warm and personal pleasure to see here in his place today the hon. member for Dufferin-Simcoe (Mr. Rowe). He served in this house with my father, and to the best of my knowledge he is the only remaining link with that generation.

Mr. Speaker, it would seem appropriate that, with many new members in the house, I should perhaps give some description of the constituency that I have the honour to represent. Waterloo South, which with its counterpart of Waterloo North makes up the whole of Waterloo county, is situated in the middle of southwestern Ontario, and comprises rich agricultural lands, a great dairy industry, the raising of beef and cattle, grain, vegetables, fruits and extensive mixed farming. Coupled with this is a great industrial complex. In the north, in Kitchener and Waterloo, there are great rubber and tire plants, furniture factories, distilleries, television and appliance factories, an electronics industry and many others. Besides, it is a centre for great insurance and financial institutions.

Again, in Waterloo South, in the centres of Galt, Preston, and Hespeler, there is a great variety of industry ranging from heavy steel fabrication through textiles, plastics, furniture, electrical devices and so on. I merely mention this, Mr. Speaker, in order to illustrate the fact that we have a great and progressive farming community and a great and expanding industrial area which employ and provide a livelihood for thousands of our population. We have what I would call a well balanced economy. We enjoy these advantages. We are, of course aware of the problems that beset both agriculture and industry.

As to the origin of the people in this area, in the north they are largely German or Pennsylvania Dutch, and in the south around Galt and Ayr they are predominantly Scottish.

To those members here of Scottish ancestry I might say that only recently a very charming young lady from Galt, in the person of Miss Ann Gall, won the championship at the Scottish dancing festival in Edinburgh. I am told that this is the first time that anyone outside of Scotland has won such an honour. You can see, Mr. Speaker, that we have a very progressive community and one that still treasures its history and traditions.

The legislation that has been proposed in the speech from the throne must be considered in relation to what this government has already accomplished, the record this government has established, and the implementation of its undertakings to the people of this country. At this time I should like to deal with agriculture, not only because of its major importance to the country and to my community, but because one of the great problems of certain phases of agriculture has been the generation of huge surpluses. The taxpayer of this country is very conscious of this situation, particularly if he is called upon to support these surpluses by huge subsidies.

One of the long term plans of the Department of Agriculture contemplates encouraging some of the farmers, particularly dairy farmers, to change to the production of beef cattle. In this country today there is a great demand for beef cattle. In the next 12 years we shall have to increase our beef cattle population by seven million head. This is a profitable business, but it presents certain problems, particularly to those engaged in dairy farming. The dairy farmer has been accustomed to selling his milk daily and getting returns on a weekly basis or some regular one. A difficulty of financing is presented when he gets a return only once a year at a time when he sells his beef cattle.

This whole problem ties in with the long term objectives of A.R.D.A., the Agricultural Rehabilitation and Development Act, and contemplates making better use of marginal lands

so that the farmer will get a better return. Among other things this use could include permanent pasture and, when desirable, it could be a community or co-operative pasture. By such use it is hoped that good arable land will be released from pasture and be available for the raising of feed grain in eastern Canada. It is also expected that the expansion of beef cattle production in western Canada will provide an increasing market for western feed grains. This, to me, is a sound program designed to guide farmers and to encourage them into long term profitable production so as to reduce and to try to eliminate certain dairy products surpluses and to get these subsidies off the backs of our taxpayers.

I am glad to note in the speech from the throne that there will be certain changes in the Farm Credit Act which I believe will be helpful in this regard. Also, I feel it would be desirable to have some further degree of liberalization in the Farm Improvement Loans Act. As the situation is now, the time of repayment of a loan is related to the size of the loan itself. In other words, a farmer borrowing say $7,500 must repay the loan in five years while a farmer borrowing $1,000 to $2,000 has only a year or a year and a half in which to repay it. I would think this requirement could work a hardship on a small farmer trying to establish a basic herd of beef cattle. I should think that the time of repayment of the loan should be related to the purpose of the loan. I hope the government will be able to give some consideration to this matter.

There is another aspect of the department which I think is of great interest and importance, namely the extent and the effectiveness of their research. In an attempt to widen the domestic and export market for Canadian foodstuffs great progress has been made in the development of certain processed foods. A good example of this progress is with regard to instant mashed potatoes. These processes are now being extended to other products such as turnips and to combinations of potatoes and meat, potatoes and fish, potatoes and cheese, and potatoes and eggs. The minister has reasoned that if these foods could be prepared in such a way that they could be stored in the hot tropical countries without refrigeration, could be made palatable and nutritious, could be packaged perhaps as a single meal and could be sold at a low price, this accomplishment would be a novel and at the same time realistic and distinctly Canadian approach to the problem of extending our markets and perhaps also in some cases to the problems of surpluses and subsidies. This is exactly what they appear to have accomplished. I say "appear to have accomplished" because I have been a manufacturer long enough to know that many items which have bright promise in the development field do not always materialize. In this case, however, matters have advanced to a point where the Canadian food industry, the processors and suppliers have been brought into the picture and an export organization has been set up in order to develop and promote these and other Canadian foodstuffs in the export markets of the world. To me this is a most exciting concept. I think it is perhaps one of the most exciting things happening in agriculture today. This is enterprise, and I believe in enterprise regardless of where it originates. If ultimately this effort is successful, it will expand our markets and will help to keep surpluses down in many of our agricultural products. It is conceivable that it will even help us in meeting our obligations to the emerging nations of Africa and to the old nations of Asia which have always been endemic with starvation and famine.

Mr. Speaker, we have a minister who knows his job thoroughly. He is a man of imagination and he has the ability to turn that imagination to practical purposes. Perhaps, above all, however, this demonstrates the necessity of co-operation between government, suppliers and processors and it points out to us the way of co-operation which we must have in this country if we are to survive under the economic conditions that face us today.

I am glad to note that the speech from the throne gives recognition to the problem of automation in industry, and I should like to make a few remarks concerning the Department of Labour. When one thinks of labour one also thinks in terms of employment. Whereas our employment situation has been bettered very substantially over the last few months, and I believe is now at an all time peak, nevertheless we have in this country a residue of unemployed that is cause for concern to anybody who understands or appreciates the tragedy of a jobless person.

There are three main causes of unemployment in Canada. One of them, of course, is our climate which makes certain types of work difficult in the wintertime and contributes to unemployment on a seasonal basis. Important steps have been taken in this direction and the municipal winter works incentive program for the coming winter has been announced. It seems evident that many municipalities are taking advantage of this program, and the program itself will likely be expanded this year.

That this particular program has been most effective and useful I think goes without saying. The minister is to be congratulated for his vigour and foresight in pursuing this

program. I believe it has made a great contribution in levelling out unemployment and minimizing the winter peaks that we have had in the past. There are two other major contributing factors to unemployment in this country and one of them is related to our trade policies. We must stimulate industry in this country. We must try to create conditions that will encourage Canadian industry to manufacture here many of the things that we are importing into this country.

I intend to come back again to the question of trade but there is another factor relating to unemployment and that is the question of automation. Automation means many things to many persons. However, it is generally recognized that it contemplates the use of improved and usually automatic machinery and improved techniques to reduce the unit cost of a given article. In a general way it also means that those employed require higher skills and training, and the ones that usually suffer in any contraction of employment are the unskilled.

This situation, coupled with the expanding school population and the added thousands of young people who are now starting to join our work force, is presenting the department and the government with a very real problem. However, the vocational training program which was inaugurated by the government in conjunction and co-operation with the provinces is now beginning to demonstrate its great possibilities. There are those who have suggested that this has been done altogether too quickly and that buildings alone will not answer the problem. This is undoubtedly true to a degree and the need for such a program should perhaps have been foreseen many years ago. It should have been foreseen and acted upon by the previous administration. Nevertheless great progress is being made and I am convinced that over the years this will benefit those coming out of our schools and will give an opportunity to increase and upgrade the skills of those who are at present in our labour force and face the possibility of unemployment.

To mention again the problems arising out of automation, the settlement which was recently made between the unions and the railways in this country caught my eye. I do not propose to make any comment on the economic aspects of this settlement, but I do suggest that the provisions that have been made for taking care of employees who are likely to be released because of improved efficiency in operation and the retraining of employees where this is possible could well recommend themselves to other industries under similar conditions.

Although the minister did not enter directly into this matter, nevertheless I feel that these particular terms with respect to this settlement would express his views, his feelings and, I believe, his philosophy. Those who know the minister know that he is one with an innate sense of fairness, one who inspires confidence and one who gives leadership toward co-operation.

One of the most persistent problems that has plagued this country over the years, Mr. Speaker, has been our huge and chronic adverse balance of payments with the United States, of which our imbalance of trade makes up a major portion. This problem is directly related to and is a major contributing factor in our foreign exchange crisis that was precipitated and triggered last June. The huge amount of excessive imports into this country, made up largely of fully manufactured consumer goods, has been paid for by the importation or bringing in of foreign capital.

I do not want to be misunderstood, Mr. Speaker. I am not opposed to foreign capital investing in this country, in fact quite the opposite; but it is surely one thing to employ foreign capital to provide capital goods and productive machinery which will earn their keep by future production and quite another thing to obtain foreign capital to enable this country to use up imported consumer goods when this capital has to be paid for from some other source at some future time.

In my view our position in this country can readily be likened to that of an improvident farmer who sells the bottom five acres of his land to take a trip to California or Florida. This is exactly what we have been doing in this country. This is the way we have been living. We have been squandering and dissipating our assets to take care of our current living.

In 1961 our importation of consumer goods was close to $2 billion. A very substantial portion of this was fully manufactured goods that could be made in this country. Does this not surely suggest something to us? Surely it suggests that we must make every effort to encourage the further industrialization of our country because, important as primary industry is, important as our great wealth of raw materials will remain, we simply cannot look to that source in the future for the expansion that must take place.

Canada and other free nations contribute and must continue to contribute assistance to underdeveloped countries. This assistance is in the form of technical aid, money to provide modern equipment and the tools of industry, training, etc. When these measures of assistance are given, the one opportunity for their utilization in underdeveloped countries lies, first, in the field of development of their own

primary products. This results in increasing world competition in the field of raw materials and today this is seriously affecting Canada's position as a world supplier.

There are those theorists, Mr. Speaker, who say that we should specialize in the manufacture of those things in which we are most competent. Just what that embraces I do not know. But I do know that there are many, many materials today that can be reproduced synthetically. With proper equipment and training, plastic plants could operate in any country in the world. Here is another area where new products and new materials can and do compete with traditional materials. As I see it, one important raw material that we must provide in the future is managerial excellence in the form of chemists, engineers, technicians and skilled personnel, along with the development of new and modern techniques.

It is only through a sound, strong and prosperous secondary industry that we are going to be able to do this. If we do not do so, we will fall far and we will fall fast before the onslaught of European and Asiatic competition, along with that of the United States which we have with us always.

What has the government done to encourage the growth and expansion of industry in this country? There has been, of course, the devaluation of the dollar and the very beneficial effects from this action are now becoming very apparent. But I want to speak at this time more specifically of the activities of the Department of Trade and Commerce. The minister of this department has done an outstanding job. He has given imaginative leadership to the department. Their morale is high and they are probably the finest foreign service of this kind in the world today. This is attested to by every businessman who has had anything to do with them.

There has been nothing static about this department, and that the many new and novel approaches that have been taken to promote the sale of Canadian products have been sound and realistic can also be attested to by some 5,600 businessmen and manufacturers who have attended the various trade conferences held by the minister throughout the country.

Now, the department is proposing to bring buyers from foreign countries to see what Canada has to offer. This has created some editorial comment and some criticism. Admittedly, this approach might not appear orthodox in relation to the action and the function of this department in the past, but I do not look upon this as socialism or undue bureaucratic interference with business any more than I look upon the establishment of trade fairs as being socialistic or bureaucratic. Actually, Mr. Speaker, I can see a great advantage to bringing potential customers to this country to see the manufacturing facilities we possess. It is not anticipated that the Department of Trade and Commerce is going to take over foreign sales by Canadian businessmen. Manufacturers, of course, still have to go out and sell their individual products. I look upon this as intelligent co-operation on the part of the department with manufacturers to try to strengthen and preserve our trading position in world markets which is being challenged by every other aggressive country in the world today.

Manufacturers in this country generally have responded enthusiastically to the leadership that has been given by the minister. In passing, Mr. Speaker, I should like to say that I sometimes get a little tired of listening to the pontificating of certain editorial writers who reiterate again and again that Canadian manufacturers are lazy, unimaginative, inefficient and lack sales initiative. In my experience, this just is not a fact. There may, of course, be inefficient businesses. I suppose that there are. But by and large, Canadian industry has had to be efficient to live. In my own experience, I have had the heads of large United States manufacturing companies visit our plant, and they have been amazed at the versatility and ingenuity we have had to use in Canada to meet competition.

There are many other facets of this department with which I have not time to deal today, but I do want to mention one in the domestic field. Along with the Department of Labour, they were instrumental in setting up the productivity council. This, I feel, was one of the most important things we have attempted in this country. I was greatly distressed when one of the very prominent labour leaders in this country today saw fit to resign. One of the significant features of the recovery of European countries after the war was the determination of all elements of the population to again get on their feet. It was the determined co-operation of government, labour and industry that primarily led to the spectacular recovery of these countries even prior to the advent of the common market. We have a lot to learn from this because it is these people with whom we are going to have to compete.

We in this country must increase our productivity and we must reduce our costs. With some fear of over-simplification, Mr. Speaker, I would say that a manufacturer's cost is largely made up of raw materials which he buys, of the cost of labour to convert those raw materials into whatever his product may be and, in this day and age, it also includes the tremendous burden of taxation that has been placed upon industry by all levels of

government. I say we must increase our productivity; but if the fruits of increased productivity go only to one source, if they go only to labour, then our competitive position will be no better than it is now. If they go only to management or if governments increase their taxation of industry, then our position will be just the same or even worse. We could all benefit from increased productivity but the one who should benefit most is seldom mentioned. I refer to the consumer. A major objective of increased productivity should be not only to get our costs down but to get our prices down. If we can do that at home and abroad, we can also free our minds from these lingering, malignant fears of foreign competition. However, I can only see this being accomplished as a national objective.

In conclusion, Mr. Speaker, I would say that there are many people who seem to feel that the results of this last election were disastrous inasmuch as no party was given a majority. I do not feel this is necessarily the case. However, I do feel this presents a great challenge to every individual member. This will cause members of this house to think most soberly of national interest, of Canadian interest. I believe that the people of this country are going to expect from their members of parliament the same discipline, the same spirit of co-operation that Canadians generally are going to be called upon to exercise in ensuing years. I feel, Mr. Speaker, that is the challenge that faces every member here today.

I should like to move, seconded by the hon. member for Nicolet-Yamaska (Mr. Vincent):

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

To His Excellency Major General George P. Vanier, Companion of the Distinguished Service Order, upon whom has been conferred the Military Cross and the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

May it please Your Excellency:

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

(Translation):

Mr. Clement Vincent (Nicolet-Yamaska): Mr. Speaker, it is with considerable emotion and pride that I utter my first words in this illustrious assembly—an assembly composed of men and women whose mission is to represent the legitimate aspirations of the Canadian people.

The right hon. Prime Minister having done me the honour of asking me to second the address in reply to the speech from the throne, read by His Excellency the Governor General, the representative of our Gracious Majesty, obliges me to tell you that it is rather the worthy people of my county who deserve this token of esteem on the part of the Prime Minister. It is not the first time he has honoured our fine people. We note with pride that, in 1957, he invited one of our citizens to join his cabinet and, later, recommended his appointment as Lieutenant Governor of the province of Quebec. I take pleasure in paying tribute to my illustrious predecessor, the Hon. Paul Comtois, who is a credit to the agricultural population of the entire province and of the county in particular, by being the first farmer to accede to this high position in my province.

Now, please allow me to salute the men and women of my beautiful county of Nicolet-Yamaska and to state publicly that as long as they have faith in me I shall endeavour to serve them to the best of my ability with the humble talents Divine Providence was kind enough to bestow on me. Is there any need to reaffirm before this house the freedom of expression I have always enjoyed and which I propose to retain in the ranks of this great party which, thanks to its present leader, gave the Canadian people the bill of rights.

I now quote the words spoken by the right hon. Prime Minister during the debates in the House of Commons on July 1, 1961:

I am a Canadian, a free Canadian, free to speak without fear, free to worship God in my own way; free to uphold what I believe is right, free to oppose what I believe is wrong, free to choose those who shall govern my country. This heritage of freedom I pledge to uphold for myself and all mankind.

Those words, as I said, prompted me to serve in federal politics, my country, Canada, my province, Quebec, and my county of Nicolet-Yamaska.

(Text):

I now have the opportunity to congratulate the hon. member for Waterloo South (Mr. Chaplin) on his remarkable speech. All of us are certain that the experience he had in the Ontario legislature, and in public affairs generally, will give him a great advantage in serving the country in the way his father did when an hon. member of this house and a former minister of trade and commerce. The men and women in his constituency must be proud of him today.

(Translation):

Mr. Speaker, when you were chosen as the Speaker of this house, the choice was unanimously accepted. Those of us who are from Quebec feel honoured that one of our own people—who is now a citizen of western Canada—should accede to this eminent position. We know your talents and personal qualifications will make you a Speaker who will be listened to and admired by all.

Perhaps I should not dwell too long on congratulations. Our best wishes accompany all those who have accepted a new office either as deputy speaker of the house, chairman of committees, members of the cabinet, parliamentary secretaries. I will just mention two of them. First, the hon. member for Pontiac-Temiscamingue (Mr. Martineau) who, as Minister of Mines and Technical Surveys, has assumed the duties previously carried out by my predecessor for Nicolet-Yamaska. And second, the hon. member for St. Hyacinthe-Bagot (Mr. Ricard), a native of my county of Nicolet-Yamaska, who is doing such good work as parliamentary secretary to the Prime Minister and government whip.

I hope that the new members who, like myself, sit in this house for the first time, will retain their initial enthusiasm and obtain every success in the issues they shall uphold.

(Text):

As I have just said in French I extend congratulations to the new hon. members and, indeed, to all hon. members who were elected on June 18. I hope to have the opportunity of meeting each of them during the session. Canada is a large country, but although we live far away from each other and do not have the same language and religion we do share the same faith in the greatness of Canada.

(Translation):

Mr. Speaker, I would now like to speak about my electoral district of Nicolet-Yamaska. The county and town of Nicolet and the Nicolet river are named after the explorer and companion of Champlain, Jean Nicolet. The name of Yamaska county comes from an Indian word, Ouamaska or Hiamaska, which means: "The place with grass under water". Those who have the advantage of visiting this area in the heart of Quebec will find 45,192 inhabitants who live on the south bank of the St. Lawrence river, in the finest countryside of the province. This population lives principally on agriculture. We also have industries scattered across the county and they are a source of pride to us; and we foresee considerable development in the future. We can observe a deep attachment to the finest French-Canadian traditions among the people. Their generosity makes for unity in sharing the simple joys as well as the worst trials of life.

In my county, we also find institutions of learning of which we are proud. How many men and women have received the higher education that our institutions can provide: the seminary of Nicolet with its secondary and college education, our school of agriculture, our colleges and our schools directed by priests, nuns and laymen.

Since 1957, that is since the coming into power of this government, we are proud to be able to say that the county has benefited from legislation and measures adopted. It suffices to mention that the budget earmarked by this government for agriculture has almost doubled from 1957 to 1961, compared with 1953 to 1957. During the latter period, $363 million were spent on agriculture in Canada and from 1957 to 1961 we spent $706 million.

Mr. Speaker, the county of Nicolet-Yamaska relies considerably on income from dairy farming. This government has voted in measures directed at helping this industry. Here are some of these measures:

A.—The subsidized price of butter was raised from 58 to 64 cents. If we bear in mind that the yearly butter production averages between 360 to 365 million pounds, we find that our farmers get from $21 to $22 million of extra money per year.

B.—The subsidized price of cheese is 32½ cents per pound. For us in Quebec, this figure which last year was 31½ cents, was brought up to 32½ cents a pound in Montreal and represents a very considerable gain for our farmers.

C.—Subsidy of 25 cents per hundred pounds of milk granted to those who supply processing plants. Since the 1st of May 1959, this has contributed toward raising producers' income by about $12 million per year.

D.—Early this year, the government voted a subsidy of 12 cents per pound on butter, in order to allow consumers to pay less for butter and producers to receive the same price. This measure will cost the government, for this year alone, from $40 to $42 million.

Before the government granted this subsidy, consumption of butter fell off badly. Last year consumption was 290 million pounds; this year, consumption is expected to reach approximately 330 to 340 million pounds, an increase of about 20 per cent. Farmers are happy about this increase. It is important for the dairy industry that the government carry on in this direction. In addition, I believe that governments, agricultural associations, and farmers ought all to unite in intensifying promotion of our dairy products, so that the increasing consumer market for these products may be maintained to the advantage of our farming industry.

Mr. Speaker, another act adopted by this government which greatly encourages the establishment of economically productive

farm units is the act incorporating the farm credit corporation which lends to farmers against the security of the land up to $20,000 and, under part III of the act, up to $27,500. As a former member of the advisory committee of that corporation, I am very pleased to pay a well deserved tribute to all the officials who administer the act. I am convinced that the farmers of Canada will always receive from these officials the most favourable consideration. I have received many letters of a complimentary nature about that piece of legislation and I make it a point to thank very sincerely the Minister of Agriculture (Mr. Hamilton) on behalf of those farmers.

The government which I have the honour to support has also considered that it was necessary to increase the loans granted under the Farm Improvement Loans Act. The maximum was raised from $5,000 to $7,500, an increase of 50 per cent. These loans are guaranteed by the goverment through the banks.

The government has also increased the compensations granted for the animals slaughtered under the Animal Contagious Diseases Act. The increases vary from 40 per cent to 75 per cent.

Moreover, the farmers of the province of Quebec received last year from the federal government the sum of $2,150,000 as the share of that government, i.e., 60 per cent of the grants for the purchase and transportation of lime.

Recently, Mr. Speaker, we were very pleased to hear the Prime Minister announce the appointment of the hon. member for Joliette-L'Assomption-Montcalm as parliamentary secretary to the Minister of Agriculture. This proves once more the spirit of national unity shown by the party in office, and the farmers of Quebec are happy to see for the first time a Quebec member occupy that position.

Last Monday, when reading the report of the important speech delivered in Joliette by the Minister of Agriculture, French Canadians were all delighted to hear that the minister intends to entrust his parliamentary secretary with important duties. Such an understanding attitude is a valuable contribution towards national unity and an undertaking that the farmers of my province will enjoy the services of a devoted and competent spokesman.

Another news item which is apt to please our rural population is the creation of a feed grain board for eastern Canada and the appointment of its members. I hope that in the near future a resident of eastern Canada will be appointed as a member of the Canadian wheat board. That would be a recognition of our common desire for co-operation between the grain growers of western Canada and the consumers of eastern Canada, a co-operation which shall certainly be beneficial to all concerned.

For the development of our agriculture, much still remains to be done. Mr. Speaker, I place great hope on the Agricultural Rehabilitation and Development Act commonly called the A.R.D.A. program. That act will enable the federal government to undertake, in conjunction with the provincial governments and various organizations, the following tasks. (1) Find new uses for marginal lands. (2) Increase the level of employment and individual revenue in rural areas. (3) Save and develop the water and soil resources of Canada.

I have studied that act very carefully and I think it will revolutionize Canadian agriculture. All farmers are directly interested in that legislation. Activities which have thus far been neglected, particularly in eastern Canada, shall take a new importance. The plan has not yet produced enough concrete results to elaborate at great length on its merits. Suffice it to say that our government has already appropriated for that purpose an amount of $50 million.

Another measure, Mr. Speaker, which helped the people of my constituency and province and, in fact, the people of the whole country, is the increase of social security payments and the establishment of an hospital insurance program. As soon as circumstances permit, I shall draw the attention of the government to the necessity of substantially increasing family allowances. I shall ask for that increase because the large families in my electoral district and in my province and, for that matter, in the whole country, need that additional assistance in order to balance their budgets.

As a citizen of the province of Quebec, Mr. Speaker, and as a Canadian of French origin, I am pleased to draw your attention to what has been performed by the present administration in favour of bilingualism and the progress of national unity. Our eager desire to pursue the task which has been undertaken entitles me to predict that, in such a climate of mutual understanding, other steps shall be taken to secure, not the assimilation, but the co-operation of our two cultures, which must remain distinct but united.

(Text):

I am a new member. I am proud of my language and my province. It was surprising to me on my arrival in Ottawa to meet so many English Canadians who want to learn French and who are trying to speak it. How wonderful it would be to see in this

country, from British Columbia to Newfoundland, people who in addition to speaking their mother tongue could also make themselves understood in the other official language of this country. What a wonderful asset this would be to the social and cultural strength of Canada.

As a newcomer to this house may I be permitted the candour of stating that I feel quite impressed by being surrounded by outstanding parliamentarians, men of great wisdom and experience, who are most numerous on this side of the chamber, of course—

Some hon. Members: Oh, oh.

Mr. Vincent: —but who are also found on the other side.

Some hon. Members: Hear, hear.

Mr. Vincent: Mr. Speaker, permit me to say a word about the commonwealth conference which has just taken place in London. Despite some slanted dispatches carried in a few newspapers, it can truly be said that our Prime Minister (Mr. Diefenbaker) made out a perfect case there for the necessity of safeguarding the economic interests of the commonwealth as a whole, if and when Great Britain enters the common market. This is the sound opinion of impartial observers. The Canadian people know that he had the courage to follow a Canada-first policy.

Mr. Speaker, I ask you, in the name of the people of Canada: who else could speak for the agriculture industry of this country? Who else could speak, or would speak for its dairy and cheese industry, for the great wheat producing Canadian west? Who else could speak—would speak—for our lumber industry, our pulp and paper industry, our mines and all our various secondary industries? Every Canadian, every member of every party in this house, knows that our Prime Minister spoke for Canada in his own great capacity, defending the greatness of Canada's industrial economy.

(Translation):

As a newly elected member of parliament, Mr. Speaker, I would now like to pay tribute to my party for the efforts it has made since June 21, 1957, for restoring the fiscal structure of Canada according to the truest spirit of the 1867 pact.

When the Conservatives came to power more than five years ago, the federal-provincial fiscal relations were in pretty bad shape.

The conference of the 11 governments, held in July 1956, created a distressing impression, even on the Liberal premiers.

Following the meeting, the prime minister of Manitoba, Mr. Campbell, made this statement on behalf of his province:

[Mr. Vincent.]

> Manitoba has been disappointed to see that so very little attention had been paid to the real financial needs which the provinces will face in the next few years.

Another Liberal premier, Mr. Matheson of Prince Edward Island, had also complained of his own party's doings in Ottawa. On the day following the July conference, he stated:

> The new distribution of funds collected takes no account of the fiscal needs of the provinces or their fiscal possibilities.

Mr. Manning, Social Credit premier of Alberta, expressed his feelings with as much bitterness as his Liberal colleagues from the other provinces. He said:

> The Liberal government kept for itself the largest and the most profitable areas of the tax fields. It has not recognized the financial needs of neither the provinces nor the municipalities.

The right hon. Prime Minister lost no time in correcting the errors admitted by the Liberals themselves. In November 1957, he called the first of a series of federal-provincial conferences to examine fully the claims of the provinces. Early in 1958 the government moved the adoption of two important pieces of legislation: One involved raising from 10 per cent to 13 per cent the share in income tax revenues going to the provinces, the other concerned adjustment grants to the Atlantic provinces. The generosity of the Conservative government meant, for the provinces as a whole, an additional revenue of $90 million a year.

And so, the present Minister of Justice (Mr. Fleming) was able to say in the house at the beginning of last year:

> The policy of equalization under which the federal government assists provinces faced with special needs has been applied more widely by this government than at any time in the past.

Figures show this most emphatically. Within five years, from 1956 to 1961, the federal treasury doubled its payments to the provinces. The provinces received less than $690 million in 1956; last year they received at least $1⅓ billion.

The right hon. Prime Minister, however, felt that the provinces should get more. So, he obtained that the Federal-Provincial Tax-Sharing Arrangements Act, 1956, be radically changed. And it is under his guidance that the new act, which today governs the fiscal arrangements between Ottawa and the provinces, came into being on April 1 of this year.

In order to be fair to the interested parties, he called half a dozen preliminary meetings. Apart from the sittings of the standing committee of officials, two conferences of finance ministers and, in 1960, two general meetings of the premiers with the Prime Minister of Canada have been held.

At those various stages, the Conservative government was primarily concerned with the sovereignty and the autonomy of the provinces, as well as with the responsibility they assume under the constitution.

The second general meeting postponed on October 28, 1960 resumed its deliberations February 23, 1961.

It gave a final form to a tax sharing arrangement formula which shapes up into a sort of triangle made up by the equalization principle, the stabilization principle and that of the growth factor. The letter sent by the Prime Minister of Canada to the premiers of the provinces on January 30, 1961, foretold of such an agreement.

The Conservative government thus repudiated the infamous tax rental system which resulted in centralization. Under that system, the provinces were mere vassals receiving annually a meagre allowance from their lord in Ottawa.

(Text):

In this connection may I quote a speech by the former minister of finance now Minister of Justice (Mr. Fleming) to the chamber of commerce of Rosthern, Saskatchewan, on November 7, 1961. He said on that occasion:

> It became increasingly evident that the tax rental system was unsound. It placed on the federal government the whole responsibility for levying the additional taxes to support large increases in provincial expenditures. The provincial governments assumed no responsibility, politically or fiscally, for imposing the rental taxes on which they depended for revenues nor had they the freedom to amend the rates of these taxes in line with their current needs. Such a system was clearly destructive of provincial responsibility and initiative, and incompatible with the constitution which grants equal access by the federal and provincial governments to the direct tax fields.

(Translation):

Mr. Speaker: Order. I regret to interrupt the hon. member but his time is up.

Some hon. Members: Continue.

Mr. Speaker: Has the hon. member the unanimous consent of the house to complete his speech?

Some hon. Members: Continue.

Mr. Vincent: Under the new act adopted by parliament last year, at the instance of the Conservative government, taxation revenue is divided in such a way as to place Canadians of all provinces on an equal footing.

The situation is now the following:

(1) The provinces collect their own personal taxes and corporation income taxes. (2) The rate of the federal tax on the income of individuals is gradually reduced in order that, little by little, this field may be left to the provinces.

The rate concerning the tax on the income of individuals is set at 16 per cent the first year the act comes into force. It will increase by 1 per cent in each of the four following years. By 1966, the federal government will thus have given up 20 per cent of that field. (3) The rate of the federal tax on the income of corporations has been reduced by 9 per cent.

(4) In the case of estate taxes, Ottawa pays 50 per cent of the revenue derived from this source in those provinces that do not levy succession duties and continues to reduce the federal tax by 50 per cent in the provinces that levy their own succession duties.

Not only did the Conservative government restore to the provinces their power to levy their own taxes, it also extended the application of the equalization principle, by a twofold amendment.

First, the equalization formula includes not only the product of the three current taxes determined by the extent of federal withdrawal, but includes also half the mobile triennial average of gross natural resources revenues.

Second, the equalization formula makes use of the national per capita average of the standard tax revenue and half the natural resources revenue instead of the per capita average for the two wealthiest provinces.

Mr. Speaker, the whole Canadian people have noted with satisfaction that most of the 35 measures outlined in the speech from the throne are directed to step up the development of our economy: establishment of a national economic development board, creation of one million new jobs over the next five years, tax incentive for corporations undertaking increased expenditures on scientific research, increase of export credits, establishment of an Atlantic development board, installation of storage facilities for feed grain, enlargement of the funds of the Farm Credit Corporation, establishment of a national power grid. There we have, Mr. Speaker, an already lengthy but very incomplete list of the measures the present government intends to introduce so that each class of our people may share to a larger extent in the national prosperity.

For us, in Quebec, the decidedly nationalistic aspect of the speech from the throne, underlined by statements concerning the repatriation of the constitution, the selection of a national flag and other national symbols, indicates to those observers who are fair-minded that the Conservative administration is realistically endeavouring to give our country outward signs of its political maturity, the creation of such signs or symbols having been avoided from 1935 to 1957.

Mr. Speaker, for all those reasons and many others, it is with a feeling of pride that I second the address in reply to the speech from the throne.

(Text):

On motion of Mr. Pearson the debate was adjourned.

On motion of Mr. Diefenbaker the house adjourned at 4.17 p.m.

HOUSE OF COMMONS

Monday, October 1, 1962

The house met at 2.30 p.m.

DEFENCE RESEARCH

ANNOUNCEMENT OF SUCCESSFUL LAUNCHING OF CANADIAN SATELLITE

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, last Friday night at 11.04 p.m. Pacific daylight time the satellite Alouette, developed by the defence research board here in Ottawa, was successfully launched into orbit from Vandenberg air force base in California atop a Thor Agena rocket provided by the United States national aeronautics and space administration. This culminated three years of effort to combine applied science and technical skill by scientists here in Canada, and marks the first occasion for a space craft to be completely designed and built by a nation other than the United States or the Soviet union.

Signals from the satellite are now being received by tracking stations around the world including eight operated by NASA and two by the British, while here in Canada three defence research board stations are already receiving important data. The satellite passed over Ottawa for the first time shortly after noon on Saturday, and on subsequent passes tracking and the reception of information has been very satisfactory.

The Alouette is being called upon to carry out four experiments, three designed by the defence research board and the fourth by the national research council. One will seek the electron density distribution within a specific layer of the ionosphere; a second will determine changes in the ionosphere directly below the orbiting satellite; a third will measure cosmic radio noise, and the fourth, designed by national research council, will measure primary cosmic ray particles which are related to auroral effects and the leakage of particles in the upper atmosphere. If these experiments are completely successful, and at the moment we have every reason to believe that they will be, they will have valuable practical application to the technology of long range telecommunications both for civil and defence purposes.

Our collaboration with NASA, which includes the launching of a similar satellite in the near future, will result in a pooling of scientific data that will add much to what we already know.

The government and industrial scientists and engineers who have contributed to this project have acquired new experience, knowledge and skills which will improve Canada's international stature and industrial competitive position in an expanding technological field. Valuable experience has also been gained by Canadian firms which have participated in this project, in particular the de Havilland Aircraft Company in Toronto which developed the unique antenna system for the satellite and which has already received large United States orders for similar antennae and expects more orders to come. Another Canadian contractor, R.C.A. Victor Company Limited of Montreal, has a firm prospect for United States orders for telemetry transmitters of the type developed for the satellite.

This has been an outstanding Canadian achievement which could not have been successful without the close co-operation and support of officials in the United States, industry here in Canada and, in particular, without the earnest endeavours of all who participated in this project within the defence research board.

Hon. Paul Hellyer (Trinity): Mr. Speaker, we on this side of the house would like to join with the government in congratulating all those who have participated in the successful launching of the Alouette satellite. It is indeed an outstanding achievement. It is a demonstration of the high quality of Canadian scientists and of their capabilities and endeavours in this collective achievement. It is also an indication of the successful teamwork on the part of government scientists working closely with those of private industry.

We also appreciate the excellent co-operation of our American neighbours, and particularly of the United States air force, in putting the satellite in orbit. We congratulate all those who participated in any way in the project on their magnificent achievement.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, we in the Social Credit party would like to join in extending our sincere congratulations to those whose efforts have led to the accomplishment to which we are now referring. It is an example to the world of international co-operation in the peaceful development of modern science, and shows the progress which can be made and to what extent we can go forward in this field.

Proposed Legislation

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, we join with the other members of the house in expressing our pride and satisfaction in these achievements of Canadian scientists. We are very glad to note that this program was initiated in the interests of peace, and members of this party sincerely hope it will remain so. We extend our sincere congratulations to all those who have worked toward this end on their successful achievement.

BRITISH NORTH AMERICA ACT

AMENDMENT WITH RESPECT TO RETIREMENT OF SENATORS

Right Hon. J. G. Diefenbaker (Prime Minister) moved for leave to introduce a Bill No. C-2, to amend the British North America Act 1867, with respect to the Senate.

Some hon. Members: Explain.

Mr. Diefenbaker: Mr. Speaker, this is in similar form and nature to the bill that was introduced at the last session.

Some hon. Members: We were not here last session.

Mr. Diefenbaker: It provides for the retirement of senators at the age of 75 years.

Motion agreed to and bill read the first time.

AMENDMENT RESPECTING READJUSTMENT OF REPRESENTATION IN HOUSE OF COMMONS

Mr. D. M. Fisher (Port Arthur) moved for leave to introduce Bill No. C-9, with respect to the readjustment of representation in the House of Commons.

Mr. Martin (Essex East): Explain.

Mr. Fisher: This bill is to permit a minor amendment which would allow for the establishment of a permanent national redistribution commission.

Motion agreed to and bill read the first time.

FOOD AND DRUGS ACT

AMENDMENTS RESPECTING CONTROL AND REGULATION OF CERTAIN DRUGS

Hon. J. W. Monteith (Minister of National Health and Welfare) moved for leave to introduce Bill No. C-3, to amend the Food and Drugs Act.

Some hon. Members: Explain.

Mr. Monteith: Mr. Speaker, this bill is to amend the Food and Drugs Act to provide tighter control over drugs under the administration of the department.

Motion agreed to and bill read the first time.

[Mr. Thompson.]

DEPARTMENT OF NATIONAL HEALTH AND WELFARE ACT

PROVISION FOR NATIONAL COUNCIL OF WELFARE

Hon. J. W. Monteith (Minister of National Health and Welfare) moved for leave to introduce Bill No. C-4, to amend the Department of National Health and Welfare Act.

Some hon. Members: Explain.

Mr. Monteith: Mr. Speaker, the purpose of this bill is to provide for a national council of welfare.

Motion agreed to and bill read the first time.

POST OFFICE ACT

AMENDMENTS RESPECTING DELIVERY RATES ON SECOND CLASS MAIL

Hon. Ellen L. Fairclough (Postmaster General) moved for leave to introduce Bill No. C-5, to amend the Post Office Act.

Some hon. Members: Explain.

Mrs. Fairclough: Mr. Speaker, this bill seeks to amend the Post Office Act with respect to charges for and distribution of second class matter in local areas.

Motion agreed to and bill read the first time.

NEWFOUNDLAND SAVINGS BANK ACT

REPEAL OF LEGISLATION AND TRANSFER OF ASSETS

Hon. George C. Nowlan (Minister of Finance) moved for leave to introduce Bill No. C-6, to repeal the Newfoundland Savings Bank Act, 1939.

Mr. Pickersgill: Explain.

Mr. Nowlan: The Newfoundland savings bank has been sold to the Bank of Canada, and part of the agreement in connection with that sale was that the government should seek to repeal the act and that all the assets vesting in the bank should vest in the receiver general for the government to collect.

Mr. Pickersgill: Does the minister not mean the Bank of Montreal, not the Bank of Canada?

Motion agreed to and bill read the first time.

Mr. Speaker: I should like to draw the attention of the house to the fact that all the subsequent bills are non-government bills. As they will be appearing before me for the first time I am not sure of either their bulk or their content, and I do not know whether or not they meet the requirements of the rules of the house in so far as their essentials are concerned. I must therefore enter a caveat by

pointing out that between now and the time they come up for second reading such bills will be scrutinized, and if there is any essential defect the house will be acquainted with that fact when the particular measure appears before us for second reading.

I realize that at the present time the house itself is not in a position to judge whether a bill is acceptable or not, because it is seeing it for the first time. An order for first reading is merely a direction that a bill be printed so that hon. members may see it. This motion will be by unanimous consent of the house. Are hon. members agreed?

Some hon. Members: Agreed.

BANKRUPTCY ACT

AMENDMENTS RESPECTING WAGE EARNERS' ASSIGNMENTS

Mr. Stanley Knowles (for Mr. Orlikow) moved for leave to introduce Bill No. C-7, to amend the Bankruptcy Act (wage earners' assignments).

An hon. Member: Explain.

Mr. Knowles: The purpose of this bill is to adjust the procedure of the Bankruptcy Act so as to cover the case of a wage earner who, though deeply in debt, could yet under budgetary supervision and with a time extension reimburse his creditors in full. It makes provision for this to be done without the wage earner being saddled with unconscionable rates of interest sometimes charged by money lenders.

Motion agreed to and bill read the first time.

EXCHEQUER COURT

EXTENSION OF JURISDICTION TO INCLUDE DIVORCE

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill No. C-8, respecting the jurisdiction of the Exchequer Court of Canada.

Mr. Pearson: Explain.

Mr. Peters: The purpose of this bill is to transfer the jurisdiction now exercised by this house and the other place in the matter of divorce proceedings arising in the provinces of Newfoundland and Quebec to the exchequer court, so that the court could handle that problem.

Motion agreed to and bill read the first time.

SMALL LOANS ACT

AMENDMENT TO REDUCE MAXIMUM INTEREST RATE

On the order:

Introduction of bills—Mr. Orlikow—Bill intituled: An act to amend the Small Loans Act.

Mr. Speaker: Mr. Knowles requests unanimous consent to move, for Mr. Orlikow, for leave to introduce a bill to amend the Small Loans Act. Do the same conditions apply in respect to this bill as applied to the previous one?

Mr. Hazen Argue (Assiniboia): No, Mr. Speaker, there is not unanimous consent to proceed with this bill at this time.

Mr. Knowles: I trust that note will be taken of who is objecting.

Mr. Argue: It is requested that note be taken of whose bill it is.

Mr. Speaker: There not being unanimous approval for the hon. member for Winnipeg North Centre, the bill must stand.

AMENDMENT REQUIRING STATEMENT OF TRUE INTEREST RATE CHARGED

On the order:

Introduction of bills—Mr. Orlikow—Bill intituled: An act to amend the Small Loans Act.

Mr. Speaker: The hon. member for Winnipeg North Centre asks unanimous consent of the house to introduce this bill on behalf of the hon. member for Winnipeg North.

Mr. Argue: No, Mr. Speaker. The same bill will come up in a few minutes.

AMENDMENT REQUIRING STATEMENT OF TRUE INTEREST RATE CHARGED

Mr. Hazen Argue (Assiniboia) moved for leave to introduce Bill No. C-35, to amend the Small Loans Act (advertising).

Some hon. Members: Explain.

Mr. Argue: Mr. Speaker, the purpose of this bill is to amend the Small Loans Act and to require small loans companies, in all advertising of small loans facilities, to state the actual rate of interest that will be charged on any such loans.

Motion agreed to and bill read the first time.

INDUSTRIAL RELATIONS

PROVISION OF MINIMUM RATE OF WAGES FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. C-10, to provide for minimum wages for employees in federal works, undertakings and businesses.

He said: The purpose of this bill is to establish a minimum rate of wages with respect to all employees in Canada who come under federal labour jurisdiction. The bill provides that the minimum rate of wages shall be $1.25 an hour.

Proposed Legislation

Motion agreed to and bill read the first time.

PROVISION OF STATUTORY HOLIDAYS WITH PAY FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. C-15, to provide for pay for statutory holidays for employees and for pay for work performed on statutory holidays in federal works, undertakings and businesses.

Some hon. Members: Explain.

Mr. Knowles: As the title of the bill makes clear, the purpose of this proposed legislation is to provide that all employees in Canada who come under federal labour jurisdiction shall enjoy at least eight statutory holidays a year and shall receive their regular pay for those eight statutory holidays without having to work for them. It also provides for additional pay if they are required to work. But as I have indicated, the main purpose is to provide eight statutory holidays a year with pay.

Motion agreed to and bill read the first time.

AMENDMENTS REVISING MEDIATION AND CONCILIATION PROCESSES, ETC.

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-23, to amend the Industrial Relations and Disputes Investigation Act.

Some hon. Members: Explain.

Mr. Howard: This bill is designed simply to establish a new and different system of negotiation and conciliation under the act, and thus speed up the negotiation processes between union and management to allow a greater opportunity for settlement of industrial disputes.

Motion agreed to and bill read the first time.

TRANS-CANADA HIGHWAY ACT

AMENDMENT TO PERMIT ADDITIONAL AGREEMENTS

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-11, to amend the Trans-Canada Highway Act (Canada highways).

Some hon. Members: Explain.

Mr. Howard: This bill is designed to permit the federal government to enter into agreement with the provinces for the purpose of contributing funds toward the building of highways other than a single trans-Canada highway; in effect, to build a second trans-Canada highway or other types of highways.

Motion agreed to and bill read the first time.

[Mr. Knowles.]

DIVORCE

MEASURE TO MODERNIZE DISSOLUTION AND ANNULMENT OF MARRIAGE

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill No. C-12, to provide in Canada for the dissolution and the annulment of marriage.

Motion agreed to and bill read the first time.

PROVISION FOR PARLIAMENTARY PROCTOR AND TAXATION OF COSTS

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill No. C-30, to establish the office of parliamentary proctor and to regulate taxation of costs.

Motion agreed to and bill read the first time.

PROVISION FOR DISSOLUTION AND ANNULMENT OF MARRIAGE

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder if I may have your attention and ask the permission of the house to have this motion withdrawn and the bill not proceeded with, because the substance of it has already been covered.

(Translation):

Mr. Dumont: Mr. Speaker, I would like the hon. member to give us some information on that matter.

(Text):

Mr. Speaker: The house has heard the request of the hon. member to withdraw his bill. Is it agreed that this bill may be withdrawn?

Some hon. Members: Agreed.

(Translation):

Mr. Dumont: Mr. Speaker, it is the third time today that the matter of divorce is being raised in the house, and I should like to have some explanations.

Mr. Speaker: I think the hon. member has fully understood the statement made by the hon. member for Skeena (Mr. Howard), who wishes to withdraw his bill. Since the bill is being withdrawn I feel we have no need for any explanation.

(Text):

Order discharged and bill withdrawn.

SOLICITOR GENERAL ACT

MEASURE TO REPEAL LEGISLATION

Mr. Speaker: In connection with this bill, which is entitled "An act to repeal the Solicitor General Act", the title on the bill reads "An act respecting the Solicitor General Act". This is merely a clerical error, and I trust that the house will approve the necessary change in title. Is that agreed?

Some hon. Members: Agreed.

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-13, to repeal the Solicitor General Act.

Some hon. Members: Explain.

Mr. Howard: If it needs explanation, Mr. Speaker, the position of solicitor general has become increasingly less significant and less important over the years. As the title says, the bill is designed to repeal the Solicitor General Act so that this officer will no longer be a part of the cabinet of Canada.

Motion agreed to and bill read the first time.

INTEREST ACT

AMENDMENT TO PLACE CEILING ON INTEREST RATES

On the order:

Introduction of bills—Mr. Orlikow—Bill intituled: An act to amend the Interest Act.

Mr. Knowles: I will try again.

Mr. Speaker: The hon. member for Winnipeg North Centre asks for unanimous consent to present this bill on behalf of the hon. member for Winnipeg North. Has he unanimous approval?

Mr. Argue: No, Mr. Speaker.

AMENDMENT TO PLACE CEILING ON INTEREST RATES

Mr. Hazen Argue (Assiniboia) moved for leave to introduce Bill No. C-40, to amend the Interest Act.

He said: The purpose of this bill is to amend the Interest Act so as to place a ceiling of 12 per cent per annum on all interest rates in Canada.

Motion agreed to and bill read the first time.

INDIAN AFFAIRS

CONSOLIDATION OF ACT AND PROVISION FOR REVIEW BY MINISTER OF JUSTICE

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-14, respecting Indians.

Some hon. Members: Explain.

Mr. Howard: This bill, Mr. Speaker, has the purpose of consolidating the Indian Act and its various amendments into one statute so that it will be more compact and more easily readable by those interested in these matters. An ancillary effect upon its introduction and first reading will be that the Minister of Justice will be required by the bill of rights to review this particular bill to see whether it is inconsistent with the bill of rights and to report any such inconsistencies to the house, in which event such amendments as are necessary can be made in the committee stage.

Mr. Aiken: Mr. Speaker, may I ask the hon. member to assure the house that this is not merely the re-enactment of an existing statute as reported in the press?

Mr. Howard: My explanation, I thought, was lucid.

Hon. Richard A. Bell (Minister of Citizenship and Immigration): I rise on a point of order which I think is of some importance, and perhaps Your Honour might be disposed to reserve it. From what the hon. member has said it is clear that this purpose is not to legislate but to secure a legal opinion. In other words, he attempts to secure by indirection that which he cannot do directly.

In my respectful submission that would be an abuse of the procedures and practices of the house, and if I am right I suggest that the Speaker has the duty and obligation at this stage of the proceedings so to rule. May I put it to Your Honour that if this procedure is permissible it would lead us to the ridiculous position that some member of the house could take the five or six volumes of the Revised Statutes of Canada 1950 into the *Journals* branch and the twelve or fourteen volumes since that time and place all the legislation therein on the order paper in the form of bills, which would mean they would all have to be reprinted and would all have to be re-enacted based upon an opinion that might be secured from the Minister of Justice.

I make these statements to you, sir, conscious of the fact that amendments to the Indian Act will be advanced in the near future based upon the report of the special committee of the Senate and House of Commons on the Indian Act. I think the principle involved here is far greater and goes far beyond that which is related to the particular bill, and I submit to Your Honour that this is a matter of such importance that Your Honour would perhaps like to reserve it for consideration.

Mr. Speaker: Having heard the remarks with respect to this bill may I say that I appreciate what the minister has said; but he, as well as other members of the house, is aware of the bulkiness of this act. There are certain explanatory notes about which I think it would be quite improper for me to give a snap judgment. I have indicated with respect to all the bills now before us for consideration that they will be studied and prior to their introduction for second reading a ruling will be given by the Chair in respect of the said bills. Is it the pleasure of the house that the hon. member shall have leave to introduce the said bill?

Proposed Legislation

Hon. E. D. Fulton (Minister of Public Works): May I point out with respect that the point raised by the Minister of Citizenship and Immigration would perhaps warrant your reserving this particular bill, because my recollection is that the obligation to give a legal opinion arises as soon as a bill is introduced in the house. In case, therefore, the point of the Minister of Citizenship and Immigration be correct, that the purpose of the bill is to secure a legal opinion rather than to have legislative effect, may I suggest with respect that perhaps you should reserve this particular bill until you can have a look at it and decide what are its primary purpose and effect and whether it should be introduced.

Hon. J. W. Pickersgill (Bonavista-Twillingate): If I may say a word on the point just raised by the ex-minister of justice, I suggest to Your Honour that a similar point came up last year in connection with a purported amendment to the Income Tax Act, that it does appear from what Your Honour has already said that the bill is not in the possession of the house, and that the Minister of Citizenship and Immigration and the former minister of justice are making assumptions about it. Since we are all equal here, I suggest that the whole house is entitled to look at the bill, as Your Honour quite properly suggested at the beginning, before any judgments about it are made by anyone, and that it is not for ministers to seek to abridge the rights of members of this house.

Mr. Fulton: We are seeking to uphold the rights of the Speaker, who has certain authority.

Mr. Speaker: Order. I appreciate all that has been said. I feel that in all fairness to the house on all sides the line of conduct which I have proposed is that which I would follow. However, in saying so I must point out that there may be room here for an abuse of the legislative process and, in the light of the bulk of this bill, if it should be found to be an improper bill the house will, of course, be out the quite considerable expense of printing it. These are factors that I have to weigh. While hon. members were speaking I had some chance to peruse the nature of the bill, the title and the explanatory notes, and a very definite and considered opinion will have to be taken about its validity. Therefore I propose to consider the bill and render my decision at a future date. In order that the hon. member's position with respect to his bill might not be prejudiced, I feel I must now ask the house whether it is prepared to give first reading.

[Mr. Speaker.]

Is it the pleasure of the house that the hon. member shall have leave to introduce the said bill?

Some hon. Members: Agreed.

Motion agreed to and bill read the first time.

PROVISION FOR ESTABLISHMENT OF COURT OF CLAIMS

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-19, respecting the Canada court of Indian claims.

Motion agreed to and bill read the first time.

SWEEPSTAKES

LEGISLATION TO ESTABLISH HOSPITAL SWEEPSTAKES BOARD

Mr. Arthur Smith (Calgary South) moved for leave to introduce Bill No. C-16, to provide for the establishment of a hospital sweepstakes board.

Some hon. Members: Explain.

Mr. Smith (Calgary South): This bill has been before the house in numerous forms before, and has a two-fold objective. The first is to provide a legal outlet for those Canadians who wish to participate in a national lottery. The second is to assure that the funds resulting from this lottery will be redirected for the benefit of Canadians and not for promoters abroad. It is introduced at this time as a result of the growing demand by Canadians who wish to see such legislation introduced.

Motion agreed to and bill read the first time.

CIVIL SERVICE ACT

PROVISION FOR COLLECTIVE BARGAINING AND ARBITRATION

Mr. R. W. Prittie (Burnaby-Richmond) moved for leave to introduce Bill No. C-32, to amend the Civil Service Act (collective bargaining and arbitration).

Some hon. Members: Explain.

Mr. Prittie: Mr. Speaker, the purpose of this bill is to provide for arbitration in case of disputes between the government and public employees, and further to provide a means of establishing a tribunal of arbitration.

Motion agreed to and bill read the first time.

(Translation):

PROVISION FOR NEGOTIATION AND ARBITRATION

Mr. Alexis Caron (Hull) moved for leave to introduce Bill No. C-17, to amend the Civil Service Act (negotiation and arbitration).

Some hon. Members: Explain.

Mr. Caron: Mr. Speaker, the purpose of this bill is to provide that civil servants be considered as first class citizens all across Canada.

Motion agreed to and bill read the first time.

(Text):

HOUSE OF COMMONS ACT

AMENDMENTS RESPECTING INTERNAL ECONOMY AUTONOMY

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-18, to amend the House of Commons Act (internal economy autonomy).

Some hon. Members: Explain.

Mr. Howard: Mr. Speaker, the commissioners of internal economy are now set up in such a way that the cabinet, particularly the treasury benches, has virtual control over the internal affairs and expenditures as well as the estimates of the House of Commons. It is the purpose of this bill to repeal those sections in the House of Commons Act in order that the house can become autonomous in this regard and run its own affairs without interference from the treasury benches.

Hon. Gordon Churchill (Minister of Veterans Affairs): I do not believe we can allow the remarks of the hon. member to pass without challenge. The suggestion—

Mr. Martin (Essex East): Order; there is no debate on this.

Mr. Churchill: The suggestion that the house is not autonomous in this regard is incorrect.

Mr. Martin (Essex East): Order.

Motion agreed to and bill read the first time.

CRIMINAL CODE

AMENDMENT RESPECTING USE OF TRADING STAMPS

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-20, to amend the Criminal Code (trading stamps).

Some hon. Members: Explain.

Mr. Howard: The Criminal Code now prohibits the issuance and use of what are commonly called trading stamps, but provides a few loopholes so that trading stamps can be issued under certain circumstances. The design behind this bill is to plug those loopholes.

Motion agreed to and bill read the first time.

AMENDMENT WITH RESPECT TO WATER POLLUTION

Mr. H. W. Herridge (Kootenay West) moved for leave to introduce Bill No. C-27, to amend the Criminal Code (nuisance).

Some hon. Members: Explain.

Mr. Herridge: Mr. Speaker, by the introduction of this bill I am following in the footsteps of the Prime Minister. The bill is identical to one introduced by him in 1955 when he was a member of the opposition. The purpose of the bill is to make it an offence for owners of industrial plants and oil refineries, and other persons, to discharge noxious matter into interprovincial waters, thus endangering the lives, safety, health and comfort of the public. I look forward to receiving the Prime Minister's support in this my fourth attempt to have the code amended in this respect.

Motion agreed to and bill read the first time.

CANADA ELECTIONS ACT

AMENDMENT TO REDUCE AGE OF VOTERS

Mr. David Lewis (York South) moved for leave to introduce Bill No. C-21, to amend the Canada Elections Act (age of voters).

Some hon. Members: Explain.

Mr. Lewis: The purpose of the bill, Mr. Speaker, is simply to reduce the voting age to 18.

Motion agreed to and bill read the first time.

SENATE AND HOUSE OF COMMONS ACT

AMENDMENT RESPECTING ELIGIBILITY OF SOLICITOR GENERAL

Mr. Frank Howard (Skeena): I wonder if, with the permission of the house, I could ask that this measure be withdrawn, because the matter has been covered.

Mr. Speaker: The house has heard the hon. member for Skeena ask for permission to withdraw this bill. Is it agreed?

Some hon. Members: Agreed.

Order discharged and bill withdrawn.

Proposed Legislation

AMENDMENT RESPECTING ELIGIBILITY OF MINISTERS

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. C-24, to amend the Senate and House of Commons Act.

Some hon. Members: Explain.

Mr. Knowles: The purpose of this bill is to amend Section 14 of the Senate and House of Commons Act by adding thereto a new subsection providing that directors of Canadian companies shall not be eligible as ministers of the crown. In other words, its purpose is to establish by law what we now understand is a practice.

Motion agreed to and bill read the first time.

AGRICULTURAL REHABILITATION AND DEVELOPMENT ACT

AMENDMENT TO EXTEND APPLICATION TO INDIAN RESERVES

Mr. D. M. Fisher (Port Arthur) moved for leave to introduce Bill No. C-22, to amend the Agricultural Rehabilitation and Development Act (Indian reserves).

Some hon. Members: Explain.

Mr. Fisher: This bill would extend the provisions of the act popularly known as A.R.D.A. so that Indian bands and Indian councils could enter into agreements with the A.R.D.A. agencies.

Motion agreed to and bill read the first time.

MERCHANT SEAMEN COMPENSATION ACT

AMENDMENTS RESPECTING PAYMENTS FOR ORPHANS OF SEAMEN

Mr. C. W. Carter (Burin-Burgeo) moved for leave to introduce Bill No. C-25, to amend the Merchant Seamen Compensation Act.

Some hon. Members: Explain.

Mr. Carter: The purpose of this bill is to widen the discretion of the merchant seamen compensation board with respect to the conditions under which a maximum allowance may be paid to a person who undertakes the care and maintenance of orphans of merchant seamen who are entitled to compensation under the Merchant Seamen Compensation Act.

Motion agreed to and bill read the first time.

[Mr. Speaker.]

RAILWAY ACT

PROVISION FOR RETRAINING AND MOVING COSTS OF DISPLACED EMPLOYEES

Mr. D. M. Fisher (Port Arthur) moved for leave to introduce Bill No. C-26, to amend the Railway Act (responsibility for dislocation costs).

Some hon. Members: Explain.

Mr. Fisher: This bill provides for retraining and moving costs to be given to railroad employees who lose their jobs as the result of organizational changes. It merely extends an obligation which now exists under the act towards employees who are required to move as a result of organizational changes in the railway.

Motion agreed to and bill read the first time.

AMENDMENT RESPECTING ABANDONMENT OF BRANCH LINES

Mr. W. H. A. Thomas (Middlesex West) moved for leave to introduce Bill No. C-44, to amend the Railway Act (abandonment).

He said: This bill seeks to provide the board of transport commissioners with authority to lay down conditions under which abandonment of railways may take place after permission to abandon has been granted.

Motion agreed to and bill read the first time.

COPYRIGHT

PROVISION FOR THE ESTABLISHMENT OF COPYRIGHT IN CANADA

On the order:

Miss LaMarsh: Before placing this bill before the house and asking unanimous consent for its first reading I wish to point out that there is a clerical error in it. The bill was introduced twice previously, and at the close of the last parliament the second part of it was implemented in the acceptance by the house of the universal copyright convention. I would ask the unanimous consent of the house to delete from the title, as has already been deleted from the bill, the provisions with respect to the implementing of this convention.

Mr. Speaker: The hon. member has asked for leave to amend the title to the bill, but the copy I have has not had the second portion deleted therefrom. Is the house in unanimous agreement with regard to the alteration of the title of the bill as indicated by the hon. member?

Some hon. Members: Agreed.

Miss Judy V. LaMarsh (Niagara Falls) moved for leave to introduce Bill No. C-28, to provide for copyright in Canada.

Motion agreed to and bill read the first time.

(Translation):

CANADIAN SOVEREIGNTY

PROVISION FOR NATIONAL FLAG, ANTHEM AND INDEPENDENCE DAY

Mr. Marcel Bourbonnais (Vaudreuil-Soulanges) moved for leave to introduce Bill No. C-29, an act respecting the sovereignty of Canada.

Some hon. Members: Explain.

Mr. Bourbonnais: Mr. Speaker, the aim of this bill is to endow this country with a distinctive national emblem and with a national anthem while, at the same time, setting aside a day in the year to celebrate Canadian sovereignty. I might add that this bill was introduced during the last parliament by the hon. member for Sherbrooke, Mr. Allard.

As a Canadian, I take pleasure in moving again for leave to introduce this legislation.

Motion agreed to and bill read the first time.

(Text):

INDIAN ACT

AMENDMENT RESPECTING POSSESSION AND CONSUMPTION OF INTOXICANTS

Mr. T. S. Barnett (Comox-Alberni) moved for leave to introduce Bill No. C-31, to amend the Indian Act (liquor rights).

Motion agreed to and bill read the first time.

COASTAL FISHERIES PROTECTION ACT

PROVISION FOR EXTENSION OF FISHING ZONE

Mr. Barry Mather (New Westminster) moved for leave to introduce Bill No. C-33, to amend the Coastal Fisheries Protection Act (twelve mile fishing zone).

Some hon. Members: Explain.

Mr. Mather: Mr. Speaker, the purpose of this bill is that Canada affirms the right of her nationals, exclusive of others, to fish within twelve miles off her coast, and further affirms her obligations to preserve the resources of those waters.

Motion agreed to and bill read the first time.

Proposed Legislation

MUNICIPAL IMPROVEMENTS ASSISTANCE ACT

AMENDMENTS RESPECTING USE OF CENSUS DATA, ETC.

Mr. Malcolm MacInnis (Cape Breton South) moved for leave to introduce Bill No. C-34, to amend the Municipal Improvements Assistance Act.

Some hon. Members: Explain.

Mr. MacInnis: Mr. Speaker, the purpose of this bill is to reactivate the Municipal Improvements Assistance Act of 1938. It provides in particular that the 1961 census data be used for the purposes of this bill, instead of the census data of 1931. It also provides that a clause providing for the suspension of the act by the governor in council be repealed.

Motion agreed to and bill read the first time.

FINANCE

PROVISION FOR DISCLOSURE OF INFORMATION IN RESPECT OF FINANCE CHARGES

Mr. Hazen Argue (Assiniboia) moved for leave to introduce Bill No. C-36, to make provision for the disclosure of information in respect of finance charges.

Some hon. Members: Explain.

Mr. Argue: Mr. Speaker, the purpose of this bill is to require all persons and companies providing credit to set forth the actual interest charges being levied on each transaction.

Motion agreed to and bill read the first time.

PROVISIONS RESPECTING INTEREST CHARGED ON CONSUMER CREDIT

Mr. T. R. Berger (Vancouver-Burrard) moved for leave to introduce Bill No. C-39, to provide for the control of consumer credit.

Some hon. Members: Explain.

Mr. Berger: This is a bill designed to affect all those institutions which are involved in consumer credit. It applies to both real estate transactions and transactions involving personal property. It requires the actual amount of money chargeable by way of interest in any such transactions to be disclosed, and limits the rate of interest which can be charged.

Motion agreed to and bill read the first time.

Proposed Legislation

(Translation):

CROWN CORPORATIONS

APPOINTMENT OF MEMBERS OF PARLIAMENT TO BOARDS OF DIRECTORS

Mr. Marcel Bourbonnais (Vaudreuil-Soulanges) moved for leave to introduce Bill No. C-37, respecting the administration of certain crown corporations.

Some hon. Members: Explain.

Mr. Bourbonnais: Mr. Speaker, the purpose of this bill is to have members of the various parties in this house appointed to the board of directors of crown corporations. They would have to attend the meetings of the board of directors of those corporations and report to the house thereon.

Motion agreed to and bill read the first time.

(Text):

PUBLIC SERVICE

PROVISION PERMITTING POLITICAL ACTIVITIES

Mr. T. R. Berger (Vancouver-Burrard) moved for leave to introduce Bill No. C-38, to enable civil servants to engage in political activity.

Some hon. Members: Explain.

Mr. Berger: Mr. Speaker, this is a bill to enable civil servants to join political parties, to contribute to political parties and to be candidates for political parties, with the exception of those civil servants engaged at or above the level of deputy head as defined in the Civil Service Act, and those employed in a confidential capacity.

Motion agreed to and bill read the first time.

YOUTH APPRECIATION

DESIGNATION OF ANNUAL YOUTH APPRECIATION WEEK

Mr. Arthur Smith (Calgary South) moved for leave to introduce Bill No. C-41, for the establishment of an annual youth appreciation week.

He said: This bill is promoted as a result of the interest of a number of service clubs. It is designed to set aside a week in recognition of the many useful and constructive activities of young Canadians. It is supported, as I say, by the majority of Canadian service clubs.

Motion agreed to and bill read the first time.

[Mr. Berger.]

BILLS OF EXCHANGE ACT

AMENDMENT OF REGULATIONS RESPECTING SALE OF MORTGAGES

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill No. C-42, to amend the Bills of Exchange Act (instalment purchases).

Mr. Pickersgill: Explain.

Mr. Peters: This bill is designed to provide protection to those who sign promissory notes upon lines similar to the Copyright Act which transfers, with the promissory note, the liabilities as well as the responsibilities.

Motion agreed to and bill read the first time.

CANADA FAIR EMPLOYMENT PRACTICES ACT

AMENDMENT TO PROHIBIT DISCRIMINATION BECAUSE OF AGE

Mr. Barry Mather (New Westminster) moved for leave to introduce Bill No. C-43, to amend the Canada Fair Employment Practices Act (age discrimination).

An hon. Member: Explain.

Mr. Mather: The purpose of this bill is to add age discrimination to the list of prohibited employment practices unless the age requirement is a bona fide occupational qualification. At the present time many workers suffer from discrimination in this respect, particularly where pension plans rather than work skills determine who is hired.

Motion agreed to and bill read the first time.

NATIONAL ENERGY BOARD ACT

APPLICATION OF PROVINCIAL DRAINAGE LAWS TO PIPE LINES

Mr. W. H. A. Thomas (Middlesex West) moved for leave to introduce Bill No. C-45, to amend the National Energy Board Act (drainage works).

He said: This bill seeks to make pipe lines operating under federal charter subject to provincial drainage laws in the same way as pipe lines operating under provincial charter.

Motion agreed to and bill read the first time.

BROADCASTING ACT

ISSUE OF LICENCES SUBJECT TO COMPLIANCE WITH BILL OF RIGHTS

Mr. H. W. Herridge (Kootenay West) moved for leave to introduce Bill No. C-46, to amend the Broadcasting Act (human rights abuses remedied).

Some hon. Members: Explain.

Mr. Herridge: This bill provides for an amendment to the Broadcasting Act so that a licence issued under that act might be conditional on the observation of the Canadian Bill of Rights, and, specifically that there should be no discrimination by a licensee with regard to providing commercial services to competitor applicants.

Motion agreed to and bill read the first time.

PENSION ACT

AMENDMENT PROVIDING FOR APPEAL TO COURTS

Mr. Jack McIntosh (Swift Current-Maple Creek) moved for leave to introduce Bill No. C-47, to amend the Pension Act (judicial appeal).

An hon. Member: Explain.

Mr. McIntosh: At the present time there is no appeal from the decision of the Canadian pension commission. The decision of that commission is final. I feel that this commission is not qualified to deal with the legal interpretations of the act. In British justice or British law there is provision for recourse to the courts by the citizens in such circumstances, and I believe the same rights should be given to our citizens in Canada.

Motion agreed to and bill read the first time.

BRITISH NORTH AMERICA ACT

AMENDMENTS RESPECTING OLD AGE PENSIONS

On the order: Government notices of motion:

September 27—The Prime Minister:

That a humble address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Senate and Commons of Canada in parliament assembled, humbly approach Your Majesty, praying that you may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom to be expressed as follows:

An act to amend the British North America Act, 1867.

Whereas the Senate and House of Commons of Canada in parliament assembled have submitted an address to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present parliament assembled, and by the authority of the same, as follows:

1. Section ninety-four A of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

Proposed Legislation

"94A. It is hereby declared that the parliament of Canada may from time to time make laws in relation to

(a) old age pensions, and

(b) pensions and other benefits incidental to, or conducive to the better operation and administration of, a scheme of old age pensions,

but no law made by the parliament of Canada under the authority of this section affects the operation of any law enacted by the legislature of a province in relation to any of the matters specified in paragraphs (a) and (b) of this section."

2. This act may be cited as the British North America Act, 1963, and the British North America Acts, 1867 to 1962, and this act may be cited together as the British North America Acts, 1867 to 1963.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

FREIGHT RATES REDUCTION ACT

AMENDMENTS EXTENDING APPLICATION AND INCREASING EXPENDITURES

Hon. Leon Balcer (Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Freight Rates Reduction Act to extend for not more than twelve months the period during which the revised rates under the said act shall be applicable and to increase the authorized expenditure under the act by an additional twenty million dollars.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

Hon. George C. Nowlan (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to bring in a measure to authorize the Canadian National Railway Company to make capital expenditures in the year 1962 not exceeding $156,500,000 and to make certain capital expenditures and enter into certain contracts prior to July 1, 1963; to authorize the National Company to issue securities to provide amounts required for the authorized expenditures; to provide that, except as expressly provided, the aggregate principal amount of securities outstanding at any time shall not exceed $57,700,000; to authorize the governor in council to guarantee the principal and interest of securities issued by the company for the purpose aforesaid; to authorize the Minister of Finance to make loans to the said company secured by such securities and not exceeding $57,700,000 in principal amount to enable the said company to meet such expenditures and with authority to give financial aid and assistance to other companies of the national system; and to provide further in respect of the refunding of

Proposed Legislation

matured, maturing and callable obligations of the said company, for the issue of securities guaranteed by the Dominion of Canada, to an aggregate principal amount not exceeding $480,000,000 in lieu of the present amount of $230,000,000.

Motion agreed to.

HOUSE OF COMMONS

ESTABLISHMENT OF ELECTORAL BOUNDARIES COMMISSION

Right Hon. J. G. Diefenbaker (Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure respecting the establishment of an electoral boundaries commission for the readjustment of representation in the House of Commons; to provide that certain members of the commission may be paid such per diem allowances as may be fixed by the governor in council; to provide also for the payment of reasonable travelling and living expenses for the members of the commission; and to provide further that the commission may engage the services of such technical advisers and other staff, including a person to act as secretary to the commission, as it deems necessary.

Motion agreed to.

THE SENATE

PROVISION FOR PAYMENT OF RETIREMENT ANNUITY

Right Hon. J. G. Diefenbaker (Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to provide for the payment out of the consolidated revenue fund, to any person who was a member of the Senate on April 6th, 1962, but who ceases to be a member at the age of seventy-five years or more by reason of an amendment to section 29 of the British North America Act, 1867, of a lifetime retirement annuity equivalent to three quarters of the amount per annum of the sessional allowance he was receiving under the Senate and House of Commons Act at the time when he ceased to be a member.

Motion agreed to.

FARM CREDIT ACT

PROVISION FOR INCREASE IN LENDING CAPACITY

Mr. Speaker: With respect to the next resolution, through clerical error the order paper lists this resolution in the name of the Minister of Finance, whereas it should have been posted in the name of the Minister of Agriculture. If the house will give unanimous consent to the correction of this error, I will put the motion in the name of the Minister of Agriculture.

Some hon. Members: Agreed.

[Mr. Nowlan.]

Hon. Alvin Hamilton (Minister of Agriculture) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Farm Credit Act to increase the capital of the farm credit corporation from twelve million dollars to sixteen million dollars so as to increase the lending capacity of the corporation from three hundred million dollars to four hundred million dollars; and to provide further for certain changes in connection with the administration of the act.

Motion agreed to.

CURRENCY, MINT AND EXCHANGE FUND ACT

AUTHORIZATION TO PURCHASE INTERNATIONAL MONETARY FUND SECURITIES

Hon. George C. Nowlan (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Currency, Mint and Exchange Fund Act to authorize the Minister of Finance to purchase, out of the exchange fund account maintained under the act, securities of the international monetary fund.

Motion agreed to.

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

AMENDMENTS TO CONFORM TO TAX-SHARING ACT AND INCREASE PAYMENT

Hon. George C. Nowlan (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Federal-Provincial Fiscal Arrangements Act to provide an arrangement with respect to fiscal years commencing on or after April 1, 1962 similar to that provided in the Federal-Provincial Tax-Sharing Arrangements Act with respect to previous fiscal years; to provide also in the said amendment for an increase of one third in the amount of the payment, from one dollar and fifty cents to two dollars per capita.

Motion agreed to.

CROWN CORPORATIONS

PROVISION FOR PAYMENT OF CERTAIN PROVINCIAL TAXES AND FEES

Hon. George C. Nowlan (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to provide for the payment of certain provincial taxes and fees by crown corporations on or after the 1st day of April, 1962.

Motion agreed to.

FINANCE

LOANS TO FOREIGN CORPORATIONS TO ACQUIRE CANADIAN COMPANIES

On the orders of the day:

Mr. Walter L. Gordon (Davenport): Mr. Speaker, I should like to address a question to the Minister of Finance, and in doing so to congratulate him on his appointment. Has the government or the Bank of Canada taken any steps to stop or to discourage the chartered banks from making loans to foreign corporations or to their Canadian subsidiaries for the purpose of acquiring control of Canadian owned or controlled companies?

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, I thank the hon. gentleman for his congratulations. I think this question is more properly one for the order paper, because it deals with the policy of takeovers, which have prevailed in Canada for a decade or more, as the hon. member well knows—

Some hon. Members: Oh, oh.

Mr. Nowlan: —his firm having been associated with banks and banking throughout.

Mr. Speaker: Order.

Mr. Nowlan: There is no power in the Bank Act or any legislation of the parliament of Canada since the repeal of the Foreign Exchange Control Act whereby such authority can be exercised.

Mr. Gordon: I should like to ask a supplementary question. Does the minister believe that loans made for such purposes are desirable in the public interest at any time—

Some hon. Members: Oh, oh.

Mr. Gordon: —and especially in times when the amount of credit available for all purposes, including ordinary commercial purposes, is limited?

Mr. Speaker: Order. Perhaps I should reiterate my caution of last Friday with respect to the asking of questions.

REQUIREMENTS RESPECTING LOANS TO HELP EXCHANGE RESERVE

On the orders of the day:

Mr. David Lewis (York South): I should like to address a question to the Prime Minister. Did the international monetary fund, the export-import bank, the federal reserve bank and the Bank of England require that the government pursue particular monetary and budgetary policies at the time they agreed to guarantee or lend to Canada $1,000 million to replenish our exchange reserves?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that certainly is not a question for orders of the day. What took place was done several months ago. There will be every opportunity for the hon. gentleman to secure the information he requires, either during the progress of this debate or through a question placed on the order paper.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I rise on a question of privilege affecting every hon. member.

Mr. Churchill: Why don't you give your leader an opportunity to speak?

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

Mr. Churchill: Let him start the debate; he is sitting there.

Mr. Pearson: I have all day.

Mr. Pickersgill: I am rising on a question of privilege affecting every hon. member. The Prime Minister has just given an answer denying information about the austerity program which was undertaken in contempt of parliament, and the first occasion upon which a question is asked about it, the Prime Minister says it is a matter of no importance, that the question can be put on the order paper. I suggest, sir, that this is a shocking breach of the privileges of the elected representatives of the people.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Order; in the light of the remarks just made, I find that there has been no question of privilege. We will not, therefore, embark on a sterile controversy in regard to those remarks.

PUBLIC SERVICE

A. S. WHITELEY—INQUIRY AS TO EXTENSION OF APPOINTMENT

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Minister of Justice. As he is not in his seat, may I address my question to the acting minister or the parliamentary secretary. Has Mr. A. S. Whiteley, a member of the restrictive trade practices commission, whose term ends shortly, been given notice that when his term expires, it will not be renewed, and, if so, will the government reconsider its decision in this regard?

Inquiries of the Ministry

Mr. Thomas M. Bell (Parliamentary Secretary to the Minister of Justice): Mr. Speaker, I was going to suggest that this is perhaps a question for the order paper, but I will mention it to the minister on his return.

Mr. Lewis: Mr. Speaker, I will wait for the answer, but with great respect this matter merits answer now.

Mr. Speaker: May I draw to the attention of the hon. member for York South that the nature of the answer is not subject to comment.

REQUEST OF SERVICE ORGANIZATIONS FOR NEGOTIATION PROCEDURES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Prime Minister. Will there be government legislation during this session amending the Civil Service Act, to meet the request of the various civil service organizations for negotiating procedures?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I know my hon. friend is too good a parliamentarian to believe that that question is proper on the orders of the day.

PENSIONS

NOVA SCOTIA—FEDERAL CONTRIBUTION TO MINERS

On the orders of the day:

Mr. Malcolm MacInnis (Cape Breton South): Mr. Speaker, I should like to address a question to the Minister of Finance. In view of the dire need for employment opportunities in the industrial Cape Breton area, is the federal government presently making a direct financial contribution to the government of the province of Nova Scotia with a view to assisting in providing special pensions to miners 60 years of age and over, thereby removing them from the labour market and opening up new employment opportunities for younger persons?

Hon. George C. Nowlan (Minister of Finance): The answer is yes, Mr. Speaker.

AIR TRANSPORT

INQUIRY AS TO BOARD RECOMMENDATIONS RESPECTING PRAIRIE SERVICE

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address a question to the Minister of Transport. Can the minister advise the house when he expects the report and recommendations of the air transport board regarding the prairie milk run air service?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, before November 1. In the meantime Trans-Canada Air Lines is carrying the service as before.

CANADIAN NATIONAL RAILWAYS

REPORTED REDUCTION IN TRANSCONTINENTAL SERVICE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Transport whether he has given any consideration to the urgent requests that I know he and other members have received regarding the cancellation for the winter months by the Canadian National Railways of its transcontinental trains Nos. 3 and 4.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, as the house knows, curtailment of service, short of abandonment of a line, can be decided upon by the railways themselves without applying to the board of transport commissioners; but if anyone feels that his rights have been infringed or that the interests of the public are at stake he can always apply to the board of transport commissioners.

Mr. Fisher: A supplementary question. Will the minister consider following the practice adopted by his predecessor in office in 1960 of making representations to the railways that led at that time to the ending of this curtailment idea?

Mr. Balcer: I have not received any representations yet but as soon as I receive any I will study the matter.

EXTERNAL AFFAIRS

NATO—REDUCTION OF R.C.A.F. COMMITMENT

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to pose a question to the Minister of National Defence. Has the government's announced decision to reduce from 12 to 8 squadrons the Royal Canadian Air Force overseas commitment to NATO been rescinded or changed in any way?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the number of aircraft to be supplied to NATO was decided some year and a half to two years ago and we are following the policy which was announced at that time.

Mr. Hellyer: A supplementary question. Is the government going to maintain 12 squadrons in Europe for more than the next year, or is it its intention to reduce that number to 8?

Mr. Harkness: If the hon. gentleman had not been asleep in the house for the last two years—

Some hon. Members: Order.

Some hon. Members: Shame.

Mr. Harkness: —he would be aware of the fact that there have been plans for some considerable time to reduce the number of squadrons from 12 to 8.

Mr. Hellyer: A supplementary question. Does the minister feel that the international situation—

Mr. Speaker: Order.

Mr. Hellyer: —has improved sufficiently—

Mr. Speaker: Order. It seems to me that the hon. member is embarking on a quite separate tack. He is entitled to ask a supplementary question to clarify the previous answer. I would again urge hon. members to read standing order 39 and the citations with respect thereto. I think we will have a little more efficiency, shall I say, in the house if they do. The hon. member for Cariboo.

Mr. Hellyer: On a point of order, Mr. Speaker; this supplementary question is directly relevant to the government's plans for the Canadian commitment to NATO and I respectfully submit I should be allowed to pose it at this time.

Mr. Speaker: At the moment I recognize the hon. member for Cariboo.

Mr. Leboe: Mr. Speaker—

Mr. McIlraith: On a point of order, sir—

Mr. Speaker: The hon. member for Ottawa West on a point of order.

Mr. G. J. McIlraith (Ottawa-West): Mr. Speaker, twice today and once last week you have had occasion to refer members to the rules having to do with questions and have directed their attention to them when hon. members rose to put questions. Twice today the answers given to questions have breached the rules in a rather obvious way. If hon. members putting questions are to be called to order, then surely the rules must be drawn to the attention of the ministers in making answers and those answers must be made properly.

Mr. Speaker: Without at all engaging in a controversy with the hon. member, may I say that my remarks with respect to questions were addressed to all members of the house.

Inquiries of the Ministry

HIGHWAYS

INQUIRY AS TO CONSTRUCTION OF ARTERIAL ROADS

On the orders of the day:

Mr. B. R. Leboe (Cariboo): I should like to direct a question to the Minister of Public Works. Can the minister tell us if the government has any plans to build a system of arterial highways in Canada on a co-operative plan with the provinces, similar to that used in the building of the trans-Canada highway?

Hon. E. D. Fulton (Minister of Public Works): Mr. Speaker, if the hon. member will cast his mind back not too many years ago I think he will recall that is the kind of question seeking information as to government policy which is not appropriate to answer on the orders of the day especially, as could be quite well assumed, as the matter of highways is under study.

LABOUR CONDITIONS

POLYMER CORPORATION—ALLEGED STRIKEBREAKING ACTIVITIES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Defence Production which I have been asked to raise in the house as an urgent matter. In view of a telegram I have received from Mr. Neil Reimer, Canadian director of the oil, chemical and atomic workers union, Edmonton, stating that the Polymer Corporation is indulging in strikebreaking tactics against the international brotherhood of electrical workers, would the minister undertake to investigate this situation?

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, the investigation asked by the hon. member has already been made. The hon. member for York South (Mr. Lewis) spoke to me about this matter on Friday afternoon. I got in touch with Polymer then and again this morning. The information I have received from the Polymer Corporation is as follows: Catolytic was given the general contract for the construction of the new plant in Sarnia and a strike was declared in the second week of August by the electrical workers. Since that time Catolytic has finished its work and is off the job. The local electrical contractors are continuing negotiations with the electrical union.

In the meantime the union chairman of our employees at Polymer, who belong to the oil, chemical and atomic workers union, has agreed that his electrical workers perform some urgent work before the cold weather sets in. I wish to state also at this time that it is impossible for these people to do all the

work and the new plant will have to remain idle until such time as the electrical workers and contractors in Sarnia come to an agreement, which I hope will be soon. The department of labour of the province of Ontario had a mediator on the site last week for two days and I understand he is coming back again this week.

CAPE BRETON, N.S.—SPEED UP OF PUBLIC WORKS

On the orders of the day:

Mr. Malcolm MacInnis (Cape Breton South): Mr. Speaker, I wish to direct a question to the Minister of Public Works. Again, in view of the dire unemployment situation in the industrial Cape Breton area, is it the plan of the federal government to speed up their program or schedule of public works in this area in order to provide needed and urgent employment opportunities?

Hon. E. D. Fulton (Minister of Public Works): Mr. Speaker, the government and the Department of Public Works is aware of its responsibilities and are taking every step to discharge those responsibilities to the fullest extent.

INDIAN AFFAIRS

INQUIRY AS TO AMENDMENTS TO ACT THIS SESSION

On the orders of the day:

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, I have a question for the Minister of Citizenship and Immigration. Can the minister say if the government has any plans to revise the Indian Act at this session of parliament?

Hon. Richard A. Bell (Minister of Citizenship and Immigration): Mr. Speaker, a thorough revision of the Indian Act based upon the report of the select committee of the Senate and the House of Commons is under active drafting. The complexity and importance of the act are such that I am advised it will likely be early in the new year before the drafting can be completed. At that stage the bill would be introduced for first reading, not with the intention of proceeding at this session of parliament but at a subsequent session. In the interim it would be my intention to meet on a provincial basis with representatives of the Indians in every province to discuss the important provisions which are proposed.

MANITOBA—ALLEGED DENIAL OF TRAINING IN SKILLED OCCUPATIONS

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, may I address a question to the Minister of Labour. Has the minister looked into the complaint of 80 Manitoba Indians at Thompson, Manitoba that they have been refused training in skilled occupations as reported in the *Times* of London of September 22 last?

Hon. Michael Starr (Minister of Labour): This matter has not been brought to my attention. In any event, the actual training is undertaken by the provincial government.

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM, B.C.—REPORTED STATEMENT BY B.C. ATTORNEY GENERAL

On the orders of the day:

Mr. Arthur Laing (Vancouver South): Mr. Speaker, my question relates to the Freedomite sect in the province of British Columbia. I would have addressed it to the Minister of Justice, but in his absence I will address it to the former minister of justice. Has his attention been drawn to the statement of the attorney general of the province of British Columbia that this problem is beyond solving by the provincial government and they have been cut adrift by the national government? May I also ask as a supplementary question—

Mr. Speaker: Order. One question at a time. Again, supplementaries are only permitted to clarify an answer that has been given, not to put an entirely new premise on a question.

Hon. E. D. Fulton (Acting Minister of Justice): Mr. Speaker, the intention of the hon. member to ask this question was referred to me as Acting Minister of Justice and I made inquiries. While the particular statement quoted had not previously been drawn to my attention, I have since checked with the office of the minister and I find that at least within the last ten days no request for assistance has been made to the minister or his department.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO REPLENISHMENT OF FUND

On the orders of the day:

Mr. T. R. Berger (Vancouver-Burrard): I should like the Minister of Labour to say what steps the government has been taking to replenish the unemployment insurance fund.

Hon. Michael Starr (Minister of Labour): At the moment there is no need to replenish the unemployment insurance fund.

[*Later:*]

Mr. J. M. Forgie (Renfrew North): I wish to direct a question to the Prime Minister. According to the report of the advisory committee the unemployment insurance fund is

nearing bankruptcy and will likely be exhausted during the winter of 1962-63 unless measures to restore its revenue are taken. Will the Prime Minister advise the house what action he intends to take to remedy this critical situation?

Mr. Speaker: A similar type of question was put to the Minister of Labour and I feel the answer was quite as clear as any that might be given to this question. I call now on the hon. member for Kootenay East.

Hon. Paul Martin (Essex East): Mr. Speaker, on a point of order, the question which was asked by the hon. gentleman is not, with great respect, the question which was asked a few moments ago from another section of the house. I believe that in view of the serious condition of the fund the hon. gentleman—

Some hon. Members: Order.

Mr. Martin (Essex East): —ought to have from the Prime Minister not only an answer to the question but also some indication as to when we may expect a report from the commission which was set up a long time ago to deal with a problem the solution of which was promised by this government a long time ago.

Some hon. Members: Order.

Mr. Churchill: Why don't you let Mike speak, Paul.

Mr. Speaker: I felt the questions were the same and unless the right hon. gentleman cares, or is willing, to make an answer then I think we shall leave it at that point.

Mr. Martin (Essex East): Maybe he does.

Mr. J. A. Byrne (Kootenay East): I wish to direct a question to the Minister of Labour simply to ask him when he may expect a report from the Gill committee that was established to investigate into all aspects of the Unemployment Insurance Act?

Mr. Starr: My most accurate information is that it will be some time this fall.

HOUSING

REQUEST FOR FINANCING OF EXISTING HOMES

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Public Works. Is the government giving any active consideration to amending the National Housing Act to permit the financing and sale of existing houses as is now done in respect of new house construction?

Hon. E. D. Fulton (Minister of Public Works): Any consideration with regard to legislation would involve a matter of government policy to be announced in due course.

IMMIGRATION

REQUEST FOR STATEMENT OF POLICY RESPECTING ILLEGAL CHINESE IMMIGRANTS

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Citizenship and Immigration and offer him publicly, as I did privately, an expression of my pleasure at seeing him in his present position. Can the minister inform the house if there has been any change in government policy toward people of Chinese origin, who allegedly entered Canada illegally, as that policy was announced by the former minister on June 9, 1960?

Hon. Richard A. Bell (Minister of Citizenship and Immigration): I should like to thank the hon. member for his pleasant words. If there is any announcement to be made concerning the matter to which he referred, it will be made in the house.

Mr. Howard: May I ask a supplementary question? Would the minister have answered the question asked earlier in respect of the Indian Act, if that question had been posed by a member of the government?

Mr. Bell (Carleton): I answer all questions to the best of my ability.

Mr. Speaker: I feel that this matter of "bootleg" supplementaries should receive the particular attention of the members of the house, especially those who have had more experience in the house. I now recognize the hon. member for Fort William.

CANADIAN CENTENNIAL

INQUIRY AS TO FEDERAL CONTRIBUTION TO WORLD FAIR

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to address a question to the Minister of Finance. This question arises out of a report in the *Financial Post* of September 22, to the effect that the federal government has promised the city of Montreal $20 million to help that city obtain the world fair in 1967. Can the minister inform the house if this $20 million comes from the $100 million already set aside by parliament to celebrate Canada's one hundredth birthday?

Hon. George C. Nowlan (Minister of Finance): The answer is no, Mr. Speaker.

Inquiries of the Ministry

HOUSE OF COMMONS

REPORTED STATEMENT RESPECTING CRITICISM OF GOVERNMENT

On the orders of the day:

Mr. Stanley Haidasz (Parkdale): I should like to ask the Prime Minister whether or not he agrees with a statement made by the Minister of Trade and Commerce (Mr. Hees) rebuking certain members on this side of the house when he said it was unpatriotic to criticize the government.

Mr. Speaker: Order.

(Translation):

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Gilles Gregoire Lapointe: I should like to direct a question to the Minister of Finance. Does he intend to remedy the discrepancy which now exists in Canada between production and purchasing power?

And I should like to ask him a supplementary question: is he aware that there is now a discrepancy between production and purchasing power?

Mr. Speaker: I must point out to the hon. member that there cannot be any supplementary question until an answer has been given.

(Text):

NORTHERN AFFAIRS

DAWSON, Y.T.—FURTHER FINANCIAL ASSISTANCE TO FESTIVAL

On the orders of the day:

Mr. Charles M. Drury (St. Antoine-Westmount): I should like to address a question to the Minister of Northern Affairs and National Resources. In view of recent press reports of the intention to continue next year the Dawson festival, has the government given any undertaking to provide further financial assistance for this event?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): As the hon. member is aware I am sure, the festival to which he has referred was sponsored by a group of public spirited Canadians. I am not acquainted with the current activities of the festival foundation but I do understand that, as a result of the substantial economic impact and benefit of the festival, it is the intention of the foundation to continue the festival.

Mr. Drury: A supplementary question.

Mr. Speaker: Has the hon. member a real supplementary?

[Mr. Nowlan.]

Mr. Drury: Mr. Speaker, you have given a ruling that if there has been no answer to a question, there can be no supplementary. Unfortunately, the minister declined to answer my question.

Mr. Speaker: I regret that the hon. member ber is not in a position to comment upon the nature of the reply. The hon. member for York South.

Hon. Lionel Chevrier (Laurier): I rise on a point of order, Mr. Speaker. While it may be true that the hon. member has not the right to comment, may I say to you respectfully that a moment ago you stated that if the hon. member had a true question, then he may ask it. I say to you, with the greatest respect, it is not up to the Speaker to say whether or not a member has a true question, unless he has heard that question.

Mr. Speaker: I may have been precipitate in that, but in the light of the remarks with which the hon. member was preceding his supplementary, I came to a certain conclusion. However, I am quite prepared to hear the hon. member put his supplementary.

Mr. Drury: I should like to ask the minister whether or not it is the intention of the government to underwrite in any way the renewal, in the current year, of the Dawson festival?

Mr. Dinsdale: Mr. Speaker, no commitment has been made in that regard.

(Translation):

TELEVISION

ESTABLISHMENT OF FRENCH STATION

On the orders of the day:

Mr. Jean-Charles Cantin (Quebec South): Mr. Speaker, could the hon. Secretary of State tell the house why the government persists in refusing to allow the C.B.C. to establish a French T.V. station in the city of Quebec, in accordance with the clearly expressed wish of the people of that city?

(Text):

Hon. G. E. Halpenny (Secretary of State): There has been no decision handed down on that as yet.

DOMINION-PROVINCIAL RELATIONS

REQUEST FOR DEFINITION OF ONTARIO-QUEBEC BOUNDARY

On the orders of the day:

Mr. Lucien Lamoureux (Stormont): I wish to direct a question to the Minister of Mines and Technical Surveys. In view of impending legal proceedings resulting from the fact that

the Ontario-Quebec border east of Cornwall is still indefinite, would the minister advise whether early action is contemplated, in conjunction with provincial authorities, to fix this border?

(Translation):

Hon. Paul Martineau (Minister of Mines and Technical Surveys): Mr. Speaker, the hon. member's question was only brought to my attention when I came in the house. I shall take it as a notice and answer it as soon as possible.

POST OFFICE DEPARTMENT

THREATENED SLOW DOWN OF EMPLOYEES

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I direct a question to the Postmaster General?

(Text):

Before I do so may I congratulate the government for the addition of charm to the post office department by the appointment of the present Postmaster General.

Has the Postmaster General been informed that the London postmen of the confederated association of letter carriers have recently decided upon strike action to support their pay claims and that about a week ago, for the same reason, the Canadian postal employees association decided to adopt a work to rule attitude which would have the effect of slowing down operations?

If the answer is yes, will the minister tell the house—

Mr. Speaker: Order. In the latter portion of his question the hon. member clearly indicated that it was one that should go on the order paper. In any event questions should deal with matters of urgency and the matters which the hon. gentleman has raised have been before the public for some ten days or two weeks. I would again appeal to hon. members to be discriminatory in their questions.

Mr. Denis: On a point of order, Mr. Speaker, may I point out that the confederated association of letter carriers represents some 7,200 people and that there are 10,500 people involved in the Canadian postal employees association. They are to vote on strike action and I consider this an urgent matter. I want to know what steps will be taken in order to solve the situation.

PENSIONS

INQUIRY AS TO AGREEMENT OF PROVINCES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Prime Minister which has reference to something that happened this afternoon. In view of the declaration the other day that a request for an amendment to the British North America Act regarding contributory pensions would be recommended to the house when all the provinces had agreed thereto, does the fact that this resolution was on the order paper today and has been transferred to government orders mean that all the provinces have now agreed? If not, could the Prime Minister state what stage has been reached in the negotiations or conversations with Quebec and Newfoundland?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, most of the questions this afternoon have been put for a purpose, and many of them have been very clear and indicative of a desire to hold off the Leader of the Opposition.

Some hon. Members: Order.

Mr. Diefenbaker: This one is not in that category. As a matter of fact, I communicated with both the premier of Newfoundland, the guardian of free speech in that province, and with the premier of Quebec. I have not had a reply from the former but I did have a reply from the premier of Quebec advising me that this was a matter which would have to be dealt with by the provincial legislature. Apparently there has been a dissolution of the legislature in that province, so that is the present position of the question.

Mr. Knowles: As a supplementary question may I ask the Prime Minister whether this order will be proceeded with during this session, or is it intended to wait until the government has had an affirmative reply from both these provinces?

Mr. Diefenbaker: It is on the order paper and, as is stated in the speech from the throne, when these two provinces have given consideration to the matter it will then be brought before the house. I do not know when the expiry of the writs takes place in Quebec but I hope that when it does we shall have co-operation from the province of Quebec, and I would also ask the assistance of the hon. member for Bonavista-Twillingate who controls to such a degree the premier of Newfoundland.

(Translation):

CROP INSURANCE

EXTENSION TO EASTERN CANADA

On the orders of the day:

Mr. Vincent Drouin (Argenteuil-Deux-Montagnes): Mr. Speaker, my question is directed to the Minister of Agriculture. I am sorry I did not give him notice of it.

Is it the intention of the government to extend to eastern farmers the benefits of crop insurance?

(Text):

Hon. Alvin Hamilton (Minister of Agriculture): I think the hon. member should be aware that the Crop Insurance Act was passed in 1959.

PUBLICATIONS

FORT WILLIAM—SALE OF NEWSPAPER TO THOMSON ORGANIZATION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I wish to direct a question to the parliamentary secretary to the Minister of Justice, notice of which was sent to the minister's office. The question arises from the announcement on Saturday by the Roy Thomson newspaper organization that they have bought the Fort William *Times Journal*, an independently owned paper. My question is, could the minister tell us whether the combines investigation branch is studying this purchase, which makes the lakehead a one publisher community?

Mr. Thomas M. Bell (Parliamentary Secretary to the Minister of Justice): Mr. Speaker, I have already told the hon. member privately that I feel this question is one for the order paper, but I will refer it to the Minister of Justice on his return.

FISHERIES

NOVA SCOTIA—REPORTED DAMAGE TO CANADIAN BOATS BY RUSSIAN NETS

On the orders of the day:

Mr. J. B. Stewart (Antigonish-Guysborough): Mr. Speaker, I should like to address a question to the Minister of Fisheries. Has the minister received reports that Canadian scallop boats have been damaged as a result of running afoul poorly marked drift nets placed by Russian ships on Georges banks?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, no such report has come to my attention. However, I am having an investigation made in case such a report may have been made recently to officers of the department in the field. If this proves to be the case, I will inform the hon. member later.

NATIONAL DEFENCE

HAGERSVILLE, ONT.—LAY-OFFS OF CIVIL SERVANTS

On the orders of the day:

Mr. L. T. Pennell (Brant-Haldimand): Mr. Speaker, I should like to address a question to the Associate Minister of National Defence.

[Mr. Drouin.]

My question is, having regard to the fact that 99 civil servants were discharged at the Hagersville army camp as of August 31, 1962, does the minister anticipate that there will be further lay-offs at the camp during the remainder of the year?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I wish to thank the hon. member for giving me notice of this question. No further reductions in staff are contemplated at Hagersville before the end of this year.

THE SENATE

REFERENCE OF LEGISLATION TO HOUSE COMMITTEE

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Prime Minister with reference to the bill with respect to the Senate. Can the Prime Minister inform the house whether this bill will be referred to a standing committee of the house?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think that question can be answered when the bill is before the house.

AGRICULTURE

EGGS—IMPORTATIONS FROM POLAND

On the orders of the day:

Mr. S. L. Clunis (Kent, Ont.): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Has the government given any commitment which would involve the importation into Canada of additional quantities of eggs or egg concentrates from Poland?

Mr. Speaker: With the greatest deference to the hon. member, we are here definitely embarking upon a type of question which would more properly be on the order paper. These are matters of not the greatest urgency. They may be of importance; I grant that every question that may be asked may be important. The hon. member is not seeking information on an urgent matter, and let us limit ourselves at this time in the house to consideration of questions of urgency.

NATIONAL PARKS

ALBERTA—REPORTED MALADMINISTRATION OF GOVERNMENT POLICY

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address a question to the Minister of Northern Affairs and National Resources, notice of which was sent

to him earlier today. Arising from a front page story in the Calgary *Albertan* concerning some very serious charges of insubordination, would the minister care to comment with regard to these alleged charges of insubordination and distortion of government policy by a senior official in administering the national parks policy?

Mr. Speaker: There again, I think the hon. member is adverting to an event which happened several weeks ago. Undoubtedly the fullest information will be furnished to the house. I am of the opinion that this is not a question which should come forward on orders of the day.

POWER

COLUMBIA RIVER—EFFECT OF CONSTRUCTION OF U.S. ATOMIC PLANT

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Will the decision of the United States government to construct immediately a very large atomic power plant in the state of Washington affect in any way plans for the joint development of the Columbia river?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, that is a hypothetical question and I do not believe I can answer it.

Mr. Hellyer: It is not a hypothetical question. I am sorry that the minister's department does not keep him briefed—

Some hon. Members: Order.

Mr. Hellyer: Is this move on the part of the Americans in retaliation for the blundering indecision of the Canadian government?

Some hon. Members: Order.

Mr. Speaker: Order.

ROYAL CANADIAN AIR FORCE

FURNISHING OF COURTESY CREWS ON RUSSIAN FLIGHTS

On the orders of the day:

Mr. Charles M. Drury (St. Antoine-Westmount): Mr. Speaker, I should like to address a question to, I am not sure whether it is the Minister of National Defence or the Minister of Transport.

In view of current press reports of the informal arrangement whereby Royal Canadian Air Force courtesy crews are assisting in the navigation of aircraft from iron curtain countries to Cuba, what steps or what action, if any, is being taken to ensure that the cargoes of such aircraft do not include articles which are on the list as being prohibited for export from Canada to Cuba, namely contraband?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, an examination of the cargoes on airplanes of this sort is no part of the responsibility of the R.C.A.F. courtesy crews. The courtesy crews have been put on Soviet aircraft for any flights over Canada for quite a number of years now because the soviets have not signed the international air agreement. These courtesy crews are put on these airplanes as a protection to Canadian air traffic, to ensure that landings are made properly and that signals sent out are correctly interpreted, and so forth. They are there for that purpose entirely.

There have been of course, only a very limited number of flights of this kind during the past two years. I think there were three all told in 1961, and I believe there have been five so far this year.

Mr. Hellyer: Would your policy apply if they were carrying bombs?

AIRPORTS

MONCTON, N.B.—EXTENSION OF RUNWAYS

On the orders of the day:

Mr. S. H. Rideout (Westmorland): Mr. Speaker, I should like to direct a question to the Minister of Transport. Can the minister advise the house whether the government has any plans for the extension of runways at the Trans-Canada Air Lines airport at Moncton to accommodate modern types of aircraft?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, at the present time T.C.A. is flying modern aircraft into Moncton. No request has been received by the government from T.C.A. for the building of any extension to the present runways.

(Translation):

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO CHANGES IN ADMINISTRATION

On the orders of the day:

Mr. Jean-Paul Cook (Montmagny-L'Islet): Mr. Speaker, I should like to direct a question to the Secretary of State. I am sorry that I did not have time to advise him beforehand. Could he tell me, all the same, if he intends to make some changes in the administration of the C.B.C.? We know that at the present time and for some time now—

Some hon. Members: Order.

Mr. Speaker: Order. I wish to remind the hon. member that he may ask questions but

he must refrain from giving personal opinions or conclusions.

CANADIAN NATIONAL RAILWAYS

OTTAWA—REQUEST FOR BILINGUAL TRAIN ANNOUNCEMENTS

On the orders of the day:

Mr. Bernard Dumont (Bellechase): Mr. Speaker, I would like to ask the Minister of Transport whether, in Ottawa, the beautiful capital of Canada, the official in charge of train schedules who calls the times of arrival and departure in English only could not also do it in French, the other official language?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, inasmuch as I am a member of a government which has accomplished so much for the cause of bilingualism, I shall be pleased to forward the request of the hon. member for Bellechasse to the authorities of the Canadian National Railways.

(Text):

POSTAL SERVICE

NOVA SCOTIA—RESULTS OF CHANGES IN RAILWAY SERVICE

On the orders of the day:

Mr. Malcolm MacInnis (Cape Breton South): I should like to address a question to the Postmaster General. In view of representations from the railway mail clerks association in the province of Nova Scotia that changes are proposed in the railway and postal service of that province, I should like to ask the minister if she would assure the house that these changes would not result in inferior service in relation to the recently inaugurated rail liner mail service. Secondly—

Mr. Speaker: Order. May I draw to the attention of the hon. member my previous warning or advice in regard to questions. While this question may be important, it is not of the type which urgently requires information on the orders of the day.

VOCATIONAL TRAINING

CONTINUATION OF GRANTS IN 1963

On the orders of the day:

Mr. F. F. Stenson (Peterborough): May I address a question to the Minister of Labour. It is in regard to vocational and technical schools. Will the grants to those schools be extended after March 31, 1963?

Mr. Speaker: May I address the same injunction to the hon. member.

[Mr. Speaker.]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, September 28, consideration of the motion of Mr. Gordon Chaplin for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, in rising to take part in this debate I desire first of all to observe the traditional and worthy custom—at some times easier to follow than at others—of congratulating the mover (Mr. Chaplin) and seconder (Mr. Vincent) of the address in reply. Today the task is an easy one because both hon. members performed their task in a way which was creditable to themselves and to their party. They must, I think, have made an impression on all members of the house because of the constructive nature of their contributions.

I may perhaps be pardoned for saying an additional word about the mover because of the fact that his father was so long associated in such an honourable and important way with our deliberations as a member of the house. As I have ventured to tell the hon. member already, I think his father would have been very proud and happy if he had been here last Friday.

The first business of this parliament once the formalities have been completed—and it has taken a little time to complete these formalities this afternoon—must be to decide in accordance with our constitutional and democratic rights whether the minority government now in office has the confidence of this House of Commons. In the present circumstances—and I emphasize "in the present circumstances"—such a motion takes precedence over other business, as it has done in the past in similar circumstances. For this purpose it is the duty and the privilege of the official opposition to move a motion which will make that decision possible. That duty is obvious. Indeed, it is inescapable when nearly 63 per cent of the voters in this country have declared in a recent election that they have no confidence in this government, in its policies and in its leadership.

If there were to be any surprise expressed, it would be not that we are following the course I have indicated but that we did not intend to follow it having regard to the repudiation of the government on June 18 and the stand taken by this party in the recent election campaign. A motion of no confidence having been moved, it becomes the duty of every member of this newly elected house to vote for or against it. If the decision results in the defeat of the government then there will be a dissolution and a general

election at which time the people will make a final decision—one that they almost made last June 18. On June 18 they made their negative decision. Next time they will make their positive decision. Since when has a move to give the House of Commons an opportunity—and an obligation—to declare its position in regard to confidence in a minority government been wrong, or playing politics? Since when has a declared willingness to accept an appeal to the people, which a decision against the government would produce, become something to be condemned? Since when has it become responsible to declare confidence in a government in which you have many times before, during an election campaign and afterwards, declared you have no confidence? I may say that contrary to some allegations made in forceful terms, there will be none of our members removed from the house when the vote is taken. We do not aspire to hold the record for absentee membership in this house.

If the house should reject our motion of non-confidence—and I hope it will not—then the government has a mandate at least to introduce its legislative and other proposals—a mandate which it has not got now—and each of those proposals will be considered by this party on its merits in exactly the same way as if the government had a clear majority in this house.

That is our position. It is in this spirit that in due course we shall support this position of non-confidence by moving an amendment to the address in reply to the speech from the throne. Whatever decision any other party in this house may have reached, we have no confidence in this government, nor has the country any confidence in this government. Its record over the past five years, together with its record over the recent election campaign and since, has been condemned, and not only by us. That record surely abundantly justifies and even demands the stand we are taking. Nor is there anything in the speech from the throne, Mr. Speaker, which would warrant a change in our views. Quite the contrary, as the other two opposition parties themselves admit.

The leader of the Social Credit party is reported in the press to have said in Ottawa on September 26 that, to move a vote of non-confidence in the government—and remember, this is a government which was opposed in an election by nearly 63 per cent of the voters—is political and parliamentary irresponsibility.

I hear comment on the other side, but such comments are not made in the same volume as they were in the old days, when hon. members opposite erupted like volcanoes; and it is noticeable that some of the chief erupters are no longer with us.

Here is what the co-leader of the Social Credit party said a few weeks earlier than his leader's statement, as reported in the press. On August 8, at Timmins, he said:

> I have fought against Diefenbaker outside parliament. I will not fight for him inside it. The country needs a stable government. I would like to see one too. The quicker we have another election, the quicker we will have such a government.

Those are true words, Mr. Speaker. That kind of statement, therefore, makes us on this side just a little sceptical about the subsequent reasons for criticizing us for bringing forward a motion of no confidence which, if the house votes for it, will bring that stable government about.

Mr. Speaker, a vital requirement for national progress and stability in a democracy is confidence in the government of the day. The people showed last June that they did not have such confidence in this government. The government record, both before and since, shows that it does not deserve such confidence. Will it help Canada if, by voting confidence in this minority government, we reject this verdict of the people, ignore the records, and deny the validity of positions previously taken, and declared by those who took them to be in the national interest? There can be no stability in government when over any substantial period the party in power cannot ordinarily command a majority in the House of Commons. Smaller parties or groups may like it this way on occasion, because it might give them an influence they would not otherwise have. But the principle remains valid surely, that a party, either by itself or by arrangement for continuing support from some other party, should be able to count on the support of a majority of the members of this house. Otherwise a government would have to tailor all its legislation and all its proposals to the requirements and to the support of any smaller group on which its life depends. Now, the Prime Minister—and it is always nice to quote the Prime Minister in these situations, and I must say that he lends himself to quotation—

Mr. O'Hurley: What about yourself?

Mr. Pearson: I know the Prime Minister has been looking through my speeches too. I have no doubt of that, and he has a great quantity of helpers working on this subject. But I did not need any help to look for some of his quotations. The Prime Minister has recognized in the past the instability of minority government, indeed the impossibility of minority government. He did that, of course, when his fortunes were in the ascendant. On January 25, 1958, at a press conference in Winnipeg, he referred to the impossibility of his government carrying on in its minority

position—and this, remember, shortly after a time when he had been successful at the polls and had been assured of the co-operation of the official opposition, which I confess with sorrow had been defeated in that election. And yet even in these favourable circumstances for the Prime Minister, he is reported by the press of that day as having said:

> This condition of affairs—

That is, government by a minority.

> —cannot continue if Canada is to have that effective parliamentary government it needs.

Then he added that his government "lacks the freedom to act", but presumably he has found that freedom now. He also said that that minority government, in those favourable circumstances, was forced into "the predicament of day-to-day planning, instead of the long term planning" that the realm required. Then he added these words, which I quote again from the report:

> The experience of the past few months has proved to me that it is impossible for a government to operate efficiently in a minority position.

Well, the Prime Minister seems to feel very differently now. In a much more difficult minority position, and after a defeat at the polls, not a victory, the Prime Minister now asks for the right to carry on inefficiently. Some of us also remember those words of the Prime Minister uttered in this house on that day, February 1, 1958, when with histrionics, and dramatics he dissolved parliament; and for him it was a very fortunate dissolution indeed, more fortunate than the one last spring. On page 4200 of *Hansard* for that day he is reported as saying:

> The present government is supported by 113 members out of a total of 265. Its position as a minority government has become intolerable. No other party or group in this house can possibly form a government; ... The only way in which the present situation can be effectively resolved is by the course I am about to announce.

That course was dissolution, followed by a general election, before he was ever defeated in the house on any issue.

Then the Prime Minister continued in this house in the following words:

> No hon. member will suggest that a situation in which a government can depend upon the support of only a minority of the members of this house is a satisfactory situation, or one that could be expected to continue long.

Well, we will give the Prime Minister the chance and help him realize now that expectation, that this is not a situation which should be allowed to continue long. It has already continued since June 18.

Well, Mr. Speaker, the composition of this house as a result of the election of June 18 certainly shows that we have a government possessing the confidence only of a minority of this house, and of a minority of the country as well. This new parliament, I do not need to tell you, is very different from the old; though from what we have heard this afternoon from the ministerial benches the government already seems to have forgotten that fact. The Prime Minister (Mr. Diefenbaker) had this to say on the very eve of the last election, and this has a bearing on the changed composition of the house. I quote from the broadcast he made on June 14, I think it was. He will remember it.

> As I travel about and meet people, I find this. They know how to separate wheat from chaff.

Then he went on:

> And the chaff of five years is being spread asunder.

That is very true indeed, because in the recent separation of wheat from chaff the Conservative government lost more members, 86, than any party has lost in any election in our history—

Mr. Ricard: We had more to lose.

Mr. Pearson: —and that after less than five years in office.

An hon. Member: We had more to start with.

Mr. Pearson: On the other hand, this party over here, I am proud, happy and comforted to say, has doubled its membership from 50 to 100 with the largest percentage of the popular vote. I call that fact to the attention of the Prime Minister who has been stating otherwise. I know this cannot be very comforting for my hon. friends opposite to listen to and I know their minds are going back to the old days when they had 204 or 205 shouting supporters to howl us down whenever we made statements of this kind in the house. But those days are ended.

Mr. O'Hurley: You will never shout us down.

Mr. Pearson: The Conservative defeat was catastrophic but I would be the first to admit that it was indecisive because they are still in office. They are still in office, Mr. Speaker, after losing 86 members, but they will not be in office much longer. This defeat must, I think, have been all the more surprising, indeed, perhaps shocking to them, in view of certain factors during the election. I am going to mention some of them and one or two I am going to go into in considerable detail. There is their success, for instance, in concealing the financial crisis from the electors and the really desperate effort they made and the

tactics they followed in which the bill of rights became a Conservative campaign document—

Mr. Fleming (Eglinton): It certainly was not a Liberal one.

Mr. Pearson: —in which communism was put on our side to help their side—

An hon. Member: You should know.

Mr. Martin (Essex East): By the former minister of finance too.

Mr. Pearson: —by ministers who should have known better. Let us look at my statement about concealment of the financial situation from the electors, which was a very important factor in the election itself. Within a few hours after the election of June 18 this minority government had to deal with a financial and exchange crisis which had been concealed from the electors by what can only be termed a major political fraud, fraud by concealment and misrepresentation of the situation. Let us look at the evidence, and the Minister of Agriculture (Mr. Hamilton) figures largely in the evidence.

Mr. Hamilton: The farmers certainly knew where the "fraud" was.

Mr. Pearson: The evidence on this very important point provides one of the strongest reasons for voting no confidence in this government. Who deceived whom?

Mr. Hamilton: That is the question.

Mr. Pearson: That is the question all right and I will answer the question.

Mr. Hamilton: You will be sorry.

Mr. Pearson: The Minister of Agriculture seems a little nervous this afternoon, a little agitated, shall we say.

Mr. Hamilton: The farmers certainly threshed you.

Mr. Pearson: I beg him to be calm. The Prime Minister in his television broadcast on June 14 had this to say, and I quote from the text of that broadcast as it was circulated:

> We have given you the facts.

This was June 14.

> We have given you the facts. We have bared the record. We have concealed nothing and shaded nothing.

What was the version of the facts, Mr. Speaker, which on this occasion the Prime Minister said they had given to the people of Canada, concealing nothing and shading nothing? What was their version of the facts with respect to the developing crisis? The minister of finance of that day, who is Minister of Justice (Mr. Fleming) now—I do not know whether there is any particular significance to be attached to that kind of transition from finance to justice—boasted in his budget speech on April 10 and right through the election campaign that the nation's finances were in wonderful shape. He scorned the very idea of devaluing and pegging the dollar before May 2. We had the minister's jeers and the even more violent reaction of the Prime Minister when we in the Liberal opposition talked about pressure on the dollar, the depreciation of our reserves, the foreign help that had to be secured and the financial dangers that were certainly ahead. Yet the Prime Minister in that broadcast of June 14 assured the country that all was well and that we, who said otherwise and unfortunately proved to be right—that was our crime—were besmirching the good name of Canada for political reasons.

Mr. Winkler: You have been doing it for five years.

Mr. Pearson: Let us see who was besmirching whom. Then we have the Minister of Agriculture. On June 20, after the election was over, everybody but the minister apparently knew what the situation was. Even his colleagues knew because it was possible for them to talk candidly about what had happened; but not the Minister of Agriculture. On June 20 after the election and four days before the emergency austerity program was announced he made the incredible statement that "there is no crisis that anyone can point a finger at".

Mr. Hamilton: Every indicator was moving up.

Mr. Pearson: One of the reasons for the acceleration of this crisis, not the cause of it but the acceleration of it, was the minister's own incredible gaff when he calmly announced during the election in Vancouver that he did not like the 92.5 cent dollar of which the Prime Minister (Mr. Diefenbaker) and the minister of finance at that time were so proud. They had been telling the Canadian people what a master stroke of policy that was. Then, the Minister of Agriculture gets up some ten days before the election and says he does not like it. Talk about cabinet secrets and the inviolability of cabinet discussion. What would have happened to a British cabinet minister in Westminster if he had made this kind of public gaff? The Minister of Agriculture said that some of his colleagues had wanted a 90-cent dollar, while others had wanted a 95-cent dollar. There was a compromise reached, Mr. Speaker. I suppose the compromise may have been reached by tossing a coin.

Anyway, Mr. Speaker, the only implication to be drawn by the financial community and others from this incredible indiscretion of the minister was that at least part of the cabinet would be arguing for further devaluation. Did anyone ever offer such an invitation to speculate or invite such pressure upon our dollar as the Minister of Agriculture did, with that kind of statement? There was already a run on the dollar by people who doubted that this government could maintain the value of the dollar at the figure at which they had put it, even if they wanted to do so. Then, along comes this member of the cabinet who provides information to the effect that some ministers did not want to maintain it at that figure. He might as well have got up and shouted, "Do not have confidence in us; take out your dollars while you can get 92. If you wait, you will get less."

An hon. Member: That is what you said.

Mr. Pearson: I was not a minister in the cabinet at that time, betraying cabinet secrets.

An hon. Member: No responsibility.

Mr. Pearson: It will never be possible, Mr. Speaker, to ascertain the damage done to our reserves at that time by that incredible statement by the Minister of Agriculture.

After the voting was over, there was an effort to tell the facts. Indeed, it was essential to tell the facts or we would have been broke in a couple of weeks, perhaps. Then, came the admission that there was indeed a financial crisis; that our reserves had gone down to just over one billion one hundred million dollars, in spite of the various devices to keep the figure up to the maximum possible amount. This crisis, which had been discovered only a few days after the election, now required an emergency program, and austerity. The people of this country who had just been told that all was clear sailing, that all was well, were now told to tighten their belts. It might have been better if they had been told to tighten their seat belts, in view of the kind of government that would follow.

I remember very well the reaction of the Prime Minister to a statement I made a few days before this in the election campaign to the effect that foreign sources had been supporting our dollar, and it seemed we needed to borrow from outside of Canada for that purpose; it seemed we needed to borrow from foreign banks. I was accused of falsehood and every other kind of slander because I said that. Now, three or four days after the election, we were told that they were about to borrow or had borrowed from the United States, the United Kingdom and the international monetary fund, more than a billion dollars to stop the run on the dollar. Was that deceiving the electors? In any event, we were told to cool off and forget about it.

But, Mr. Speaker, an explanation for this crisis has now been discovered by the Prime Minister. Presumably, it has been given to his followers amidst great cheers. It was a very sudden crisis. It just blew up, though at other times we are told that this balance of payment crisis goes away back to the Liberal administration 22 years before. However, that is when that argument is required. On this occasion, the argument is required that the crisis was very sudden and blew up very suddenly, and that I caused it by my speeches in the campaign which had destroyed confidence in Canada abroad.

Some hon. Members: Hear, hear.

Mr. Pearson: I am glad to listen to hon. members opposite say, "Hear, hear" because I will have something to say about this. No doubt the Prime Minister will produce statistics, figures and charts to try to support the thesis that every time I made a speech pointing out the dangers, attacking the policy of the government, hundreds of millions of dollars fled the country. Well, it is not very difficult to deal with that kind of argument. There were a great many people in this country and abroad, not interested in politics, not even interested in the Canadian election, who had pointed out and emphasized the same dangers and called attention to the same results that would happen if something were not done about it.

Furthermore, Mr. Speaker, why should everyone in the world outside, in the financial community outside, be so greatly impressed by my words? Why should they have ignored the reassuring statements of the Prime Minister? This was a very great tribute to me indeed. I had no idea that I had the power to influence national and international financial interests. It is very flattering indeed.

The Prime Minister's thesis, about which we are going to hear later on, I suppose, is also affected and made slightly ridiculous by the fact that a large percentage of the loss, as we know now, was due to Canadians moving their money out of Canada. The Minister of Agriculture, particularly, may have had something to do with this. In fact, he probably had a lot to do with it. He was a privy councillor who had taken the oath of secrecy, and he talked about the division of opinion inside the cabinet. How can you square the Prime Minister's thesis with the fact that the movement out accelerated alarmingly after the election, when it became clear that the voting had not displaced the government or put us in.

The fact that our exchange difficulties were so greatly increased after the election, during those two or three days before action was taken, is the most damning indictment of the policy of the government and its reputation in this field that any government could receive. Had there been a different result to the election there would not have been that flight from the Canadian dollar after June 18. The government's explanation of the nature, cause and timing of the dollar crisis in June is false to the point of being nonsensical but, as we shall probably be given it again by the Prime Minister and his colleagues during the course of this debate, it is necessary for me to put the facts on the record and show how we got into this position. That I propose to do in very considerable detail.

We on this side of the house in the previous parliament repeatedly pointed out that a financial crisis was developing and that it was mainly—although we never attempted to say it was solely—due to government mismanagement. Perhaps I may be permitted to quote what I said in the budget debate on April 17, 1962, which may be the last budget for which this government will be responsible. I said, as recorded in *Hansard* of that date at page 3073:

> The situation now is that instead of buying United States dollars in order to get our reserves up and get our dollars down he is selling United States dollars in order not to depress but to support the Canadian dollar, to stop it from going down too far.
>
> It is going down and it may go down too far because of loss of confidence in that dollar. One reason for that loss of confidence, in addition to certain ambiguous statements by the minister, was the shameless Coyne affair and the effects it had abroad.
>
> This operation of the minister which was to bolster our reserves, has cost our reserves about $350 million in the first three months of this year. I can only describe that, Mr. Chairman, as muddled manipulation of our dollar.

That was done by a government which, only a short time before, had refused in this house to accept any responsibility for monetary policy.

During the election campaign we repeated our warnings and said the country was already facing a dollar crisis. The Prime Minister and his colleagues denied the existence of this crisis and they accused us of falsifying the facts. They claimed that the devaluation announced in May was a deliberate, planned attempt by the government to promote expansion. We said such a decision had been imposed upon the government by necessity and was another undeniable sign of the crisis.

Anyone who knew anything about the subject, and that must have included some members of the government but certainly not the Minister of Agriculture, must have known what was happening and why it was happening. The reason for this situation into which we got ourselves unnecessarily goes back through the whole period of the last parliament when this government was in office.

The stagnation experienced since 1957, and our chronic trade deficits, were bound to weaken the external value of the Canadian dollar; but until fairly recently that underlying weakness was met by a net inflow of capital, so that the Canadian dollar remained at a relatively high premium with respect to the United States dollar while our official holdings of gold and United States dollars also remained at a fairly constant level. That was true until the end of 1960; but in December, 1960, the value of the Canadian dollar began to decline slowly until June 1961 when it was about par with the American dollar.

What happened to produce that trend? It was due to three steps in particular taken by this government. First, the non-resident withholding taxes were sharply increased in the so-called "baby budget" in December, 1960, which contributed to discouraging capital coming in from abroad.

Second, the Minister of Finance and the Bank of Canada at that time strongly advised the provinces, the municipalities and other potential Canadian borrowers not to borrow in the United States.

Third, as we learned only in June, 1961, from the former governor of the bank of Canada, the Minister of Finance, in December, 1960, began to manipulate in secret the exchange rate and to buy United States dollars.

Those three factors, for which the government is responsible—and nobody else—fully account for the slow decline in the value of the Canadian dollar which occurred between November, 1960, and June, 1961. Then in July, 1961, the Canadian dollar suddenly dropped by about three cents to 96½ cents in terms of the U.S. dollar. This was the beginning of the rot; and two factors, directly connected with the government, account for that sudden change for which it must take full responsibility.

I have mentioned one already. It is impossible to overestimate the Coyne affair, that sorry and shameful episode which caused a great deal of concern not only in our own country but abroad. It did more than any other single thing to destroy financial confidence in our country. Indeed it has been called devaluation by slander.

The second factor was that the Minister of Finance in his budget speech of June, 1961, finally decided to admit publicly that he was manipulating the exchange rate in order to bring about "a significant discount", although he refused to tell us what he meant by

"significant". That manipulation would mear that the government would buy U.S. dollars and increase its reserves in order to depreciate the Canadian dollar.

But this new policy of manipulation, announced by the minister at that time, was applied only once. Before and after October, 1961, our holdings of U.S. dollars declined each month and that meant of course, contrary to what the minister had said, that the government was not buying but selling U.S. dollars in order to support the value of the Canadian dollar. It was the exact opposite of what the minister of finance had said a short time before that he was going to do. It was another flip-flop. That new policy and the minister's refusal to say what he meant by a "significant discount" were bound to cause uncertainty and a further loss of confidence on the financial market.

Then there was the huge budgetary deficit announced by the minister at that time, which was another contributing factor. It meant that all the main elements of a dollar crisis were now at work, and the government was responsible for all of them.

The minister does not have to make notes. He is Minister of Justice now.

Mr. Churchill: You are afraid of his reply.

Mr. Fleming (Eglinton): I am not taking dictation from you.

Mr. Pearson: After October, 1961, the exchange fund was used systematically to support the Canadian dollar and to prevent further devaluation. Therefore between the end of October, 1961 and the end of April, 1962, our holdings of gold and U.S. dollars declined by $516 million, or nearly 25 per cent. Were my speeches responsible for that?

It was quite evident to everyone who wanted to see, who wanted to find out, that our reserves were being rapidly depleted, as we pointed out in the house, and that they were near a dangerously low level, as we also pointed out in the house. Yet, in spite of these substantial injections the value of the Canadian dollar continued to decline between October, 1951 until May, 1962, until we came to the devaluation announcement during the middle of the election campaign on May 2, 1962.

Devaluation had at that time become inevitable. But even that dramatic decision did not stop the run on the dollar. Between the end of April and the end of May our exchange fund lost a further $102 million, and on June 24, when the Prime Minister announced the austerity program, our reserves, as I have said already, stood at $1.1 billion, which meant another loss of nearly $300 million between the end of May and June 24, a period of about three weeks.

From all this, Mr. Speaker, two conclusions are inescapable. Our currency difficulties had reached the proportion of a crisis long before the Prime Minister's announcement of June 24. The main reasons for the crisis were the government's financial mismanagement, the government's policies regarding foreign capital, and especially the government's mishandling of the Coyne affair.

Mr. Diefenbaker: Mr. Speaker, would the Leader of the Opposition allow a question?

Mr. Pearson: Yes, of course.

Mr. Diefenbaker: What was the reason for the same situation in 1947?

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): That was a different picture altogether.

Mr. Pearson: Mr. Speaker, the situation in 1961 and 1962 could not have been more different from the situation in 1947, and I will be very glad indeed to go into that. If the Prime Minister, with his vast knowledge of financial and monetary matters—

Some hon. Members: Oh, oh.

Mr. Pearson: If the Prime Minister tries to tell me that there is any parallel between the situation in 1947 in this field, and that in 1961 and 1962, he really does not know very much about either matter. If he will read the debates of 1947, the speeches made on this side of the house when he was in opposition, he will receive a good lesson in finance from some of his own supporters who did understand the position at that time. Also, Mr. Speaker, when the minister of finance at that time put forward the financial difficulties of the government arising out of the post-war situation, when we had loaned $2 billion to Great Britain and hundreds of millions of dollars to other devastated countries in Europe so that they could buy our goods on credit, the minister of finance rose in the house and told all the facts, and told parliament what he was going to do.

Some hon. Members: Hear, hear.

Mr. Pearson: Not only were the facts different, not only was the remedy adopted to deal with the facts different, but there was no concealment or deceit on that occasion. So the government on this occasion must accept full responsibility—

Mr. Fleming (Eglinton): Nineteen forty seven budget by radio.

Mr. Pearson: —not only for the crisis but for the concealment of that crisis from the Canadian people even during an election campaign.

The Prime Minister is trying to tell us, and he tried to tell the people of Canada, that it all blew up as suddenly as his knowledge of it.

Mr. Robichaud: Where was he?

Mr. Pearson: If the Prime Minister did not know anything about this developing dollar crisis before his last campaign telecast of June 14, what a manifestation of incompetence that is. But, Mr. Speaker, I think he should be exempted from that criticism, because I think he must have known about it. After all, he is Prime Minister. There are several reasons to justify my thinking that he must have known about it, apart from the fact that he is Prime Minister and used to sit beside the minister of finance in the House of Commons, and he still does.

Mr. Benidickson: Good friends.

Mr. Pearson: These are the reasons he must have known about it much earlier in 1962. The governor of the Bank of Canada, the new governor, at a meeting in Toronto was advising investment dealers to borrow on the United States markets. That was quite a reversal of the official attitude in this respect—

Mr. Fleming (Eglinton): Is the hon. member saying "advising"?

Mr. Pearson: I said "advising", yes. That was quite a reversal of the government's attitude, which proved, if the minister of finance knew what the governor of the Bank of Canada was doing—and I am sure he did—that people in Ottawa in the government were already aware that something was wrong. That new attitude, as a matter of fact, was confirmed in this house by the minister of finance shortly after that, and I presume he told the Prime Minister about it.

Then there are reports to the effect that, immediately after prorogation, the minister of finance issued a directive to cut current expenditures by $50 million—that was after prorogation. If those reports are true, that fact, though hidden from the public, clearly means that the government was aware in April of the critical situation and that austerity had begun before the election campaign.

Mr. Fleming (Eglinton): Mr. Speaker, may I ask the Leader of the Opposition a question? He referred to what he calls reports, and then went on to make statements or charges based on them. Is the Leader of the Opposition prepared in this house to take responsibility for the accuracy of his statement about these reports, or the accuracy of the reports he is alleging were made?

Mr. Pearson: I am prepared, Mr. Speaker, to give the minister an opportunity to deny these reports.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Fleming (Eglinton): Does the Leader of the Opposition—

Some hon. Members: Sit down.

Mr. Fleming (Eglinton): —take responsibility for the accuracy of the reports?

An hon. Member: Deny it.

Mr. Benidickson: You are taking notes.

Mr. Pearson: Mr. Speaker, as a member of the House of Commons I have stated that there were reports that the minister of finance issued a directive to cut current expenses by $50 million immediately after prorogation. Does the minister deny that there was any such directive, any such step taken, any such action taken, any such advice given?

Mr. Fleming (Eglinton): Mr. Speaker, I will be more than pleased to answer that question, but in the meantime perhaps—

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): —the Leader of the Opposition—

Some hon. Members: Order.

Mr. Fleming (Eglinton): —would answer the question that I asked him.

Mr. Deputy Speaker: Order.

Mr. Fleming (Eglinton): Perhaps he will answer my question.

Mr. Deputy Speaker: Order.

Mr. Pickersgill: He cannot deny it.

Mr. Deputy Speaker: Order. We have a crossfire of questions going on at the moment, which I think can be answered in the ordinary course of debate as and when the opportunity arises, at the proper time.

Mr. Pearson: Thank you, Mr. Speaker. I am sure that is the best way to do it. I asked the minister the question because he raised the matter and I wanted to give him the chance to clear himself and his government at once if he so desired.

Some hon. Members: Hear, hear.

Mr. Pearson: There are other points—

Mr. Fleming (Eglinton): Still running away from questions.

Mr. Chevrier: Well, you ran away from finance.

Mr. Pearson: When the government decided to devalue at the beginning of May, the Prime Minister must surely have known that such an exceptional step was taken by necessity, as an attempt to stop the run on our reserves. He must have known that devaluation had become inevitable on that ground. But there was an election going on and the Canadian public was led to believe by the Prime Minister himself that this exceptional decision was merely part of a deliberate and planned policy to increase exports and to encourage domestic industries.

There is another factor which bears on this question. When the level of our reserves at the end of May became known and showed a further substantial decline, the Prime Minister must at that time, surely, have become convinced that devaluation had failed to stop the dollar crisis and that something else had to be done.

The government's advisers in Ottawa were certainly aware of the existence of the dollar crisis, and I am certain they discharged that responsibility of keeping the Prime Minister and the minister of finance informed of the situation even during an election campaign. When action was taken after the election, the Prime Minister and his colleagues had only four days in which to prepare an austerity program including the determination of the new tariff schedules and the negotiation of the various loans in the United States and in Great Britain. It is surely unbelievable that the austerity program could have been thought of, initiated and implemented in a period of only four days. The Prime Minister must have known before the election that such a program was being developed in order to be ready for implementation immediately after the election. For all these reasons any impartial observer must come to the only possible conclusion, namely that our dollar crisis, our financial crisis, was developing over the months and that the Prime Minister was fully aware of it long before his telecast of June 14. In that perspective, and because of the other reasons I have given, surely the statement made in that telecast was both improper and misleading.

Then came the morning after the election, after our celebration and the hon. gentleman's desolation, and the amazing about-face of the Prime Minister and his government on this issue which had been put before the electors in such optimistic and concealing ways. We suddenly realized in this country that we were facing a crisis of confidence—a real emergency. We realized we were facing difficulties which would go beyond the emergency itself—that we were facing a need for long range programs which would get to the root of the difficulties. Above all we were facing a need for a restoration of confidence. In addition, we were facing a conference of commonwealth prime ministers.

In the light of all this, what did the government do after the election? Mr. Speaker, they told us to cool off and forget it. I can understand why they gave this advice to cool off, forget what had been said and what had been happening. The government told us, somewhat unctuously, to tighten our belts and get ready for austerity after the election. They took emergency action leading up to austerity and, of course, they shuffled what was left of the cabinet deck, adding a second senator to it. I think this is the first time since the early thirties, in Mr. Bennett's day, that we have had two senators in the cabinet. Maybe I am wrong about this, but I think I am right. It is, perhaps, a step in the reform of the Senate, but it has other implications.

Mr. Fleming (Eglinton): Who are the two?

Mr. Pearson: I took it for granted that this great Conservative party would put the leader of the government in the Senate into the cabinet, but perhaps they do not do that. Should that not be the case I have made a mistake and I apologize. In Mr. Bennett's day they used to do that. There is an inaccuracy which I correct; there is only one cabinet minister in the Senate. However, this appointment had one very interesting consequence and I must say it is a pleasant one as far as I am concerned. It will be recalled that the hon. gentleman in question who served his country during the war in Ottawa with distinction and devotion, was one of Mr. C. D. Howe's wartime bureaucrats. He was one of those men who were trampling the liberties of the people under foot.

Mr. Pickersgill: Said to have been.

Mr. Pearson: I wish I could remember what the Prime Minister used to say about them during the election campaigns, but his adjectives are a little beyond me. However, he poured scorn on these people and particularly he poured personal scorn on Liberal candidates who, he claimed, were bureaucrats in those days despite the fact that one or two whom he attacked personally had not spent their wartime years in Ottawa but were fighting overseas. However, this particular appointment has purified some of my colleagues and I am grateful for that.

The Prime Minister's reaction was an understandably happy one when the appointment was announced. He drew a parallel which, I confess, surprised me a little. He said: President Kennedy has his McNamara; I have my McCutcheon. When the Prime Minister said that, I thought we were at

least going to get a defence policy. If I am not wrong, I believe Mr. McNamara is secretary of defence in the United States government. The Prime Minister's exhilaration over this appointment was badly timed because at the time he was reported to have made that remark the house armed services committee in Washington accused Mr. McNamara on August 13 of accumulating power in a way which could lead to the disastrous erosion of military effectiveness.

We all remember that while these steps were being taken by the government, and indeed, weeks afterwards, no economic program was put forward; no parliament was called to deal with what we were told was a grave national crisis. What have they done? They should have called parliament together at the first date possible under our constitution. Imagine a man who talks so much and with such emotion about the responsibilities of parliament and the privileges of the House of Commons refusing to call parliament together at a time which he claims to have been one of national emergency after an election. They should have done what was done in 1925 and 1926 which was the only time previously when we had a minority government in a comparable situation.

Mr. Diefenbaker: Not comparable in any way.

Mr. Pearson: Comparable. The year which the Prime Minister put forward as a precedent was not a precedent at all in relation either to the situation now or in 1925 and certainly 1957 did not provide a comparable situation. True, in 1957 there was a minority government but, as I have already said, the Liberals had, in effect, been defeated in that election even though no party had a majority in the house. Mr. St. Laurent recognized that by resigning, and indicated that the party which had been the most successful in the election should have a chance to implement its proposals which had, on the whole been supported by the electorate. That is the stand he took in 1957. The Prime Minister should be careful not to try to relate the circumstances in 1957 to those of 1962 to justify the course of action he has taken, because the comparison would prove embarrassing to himself and to his colleagues. The truth is that on this occasion in 1962 responsible government was mocked by the Prime Minister's refusal to summon parliament at the earliest possible moment to deal with the position in which the government found itself at a time of emergency on the eve of a prime ministers' commonwealth conference called to discuss matters of the most far reaching importance. Responsible government means, if it means anything at all, that the Queen's ministers are responsible to the elected members of the House of Commons, and must therefore have the support and the confidence of the majority of the House of Commons before they take action.

Between sessions of any one parliament the government with a clear majority can normally, of course, count on that support; but with a minority government, that is not the case. The first such parliament elected in this situation was elected on October 29, 1925. It consisted of 117 Conservatives, 101 Liberals, 24 Progressives, and 3 Labour and Independent members. This minority government of 1925 decided to submit its fate to parliament, which was summoned at the earliest possible date after the last writ was returned on January 6. What a contrast with the course followed by this minority government, which held up parliament to the last possible minute.

There is another and very glaring contrast indeed. Mr. Mackenzie King, though not in the house, was head of a minority government, and he announced—and his government acted on the announcement—that his minority government would make no appointments, and would take no action which was not required for the routine business of government, until parliament had met and decided the question of confidence. What a contrast between that position and the one taken this summer by these paragons of parliamentary rights and parliamentary responsibilities.

Mr. Churchill: Would the Leader of the Opposition permit a question.

Some hon. Members: Sit down.

Mr. Churchill: Will the Leader of the Opposition state to the house that Mr. Mackenzie King had been defeated in his own constituency in 1925 and was not a member of the house?

Mr. Pearson: I mentioned that, Mr. Speaker. He had been defeated. His government had 101 members in the house. He decided that they would do nothing in this minority position, nothing of any kind, until parliament had had a chance to meet. He called parliament and put his fate to that parliament at the first possible opportunity; and in order to make sure that parliament would be given the opportunity to decide whether or not they had confidence in his government, the government itself put forward a motion of confidence. Read the debates of that time.

Mr. Churchill: I did, and it was just a trick.

Mr. Pearson: Look at the contrast between what happened then and what has happened now.

Mr. Churchill: The motion was declared out of order.

Mr. Martin (Essex East): It was not.

Mr. Pearson: It was amended by Mr. Meighen. The vote was on Mr. Meighen's amendment. Both parties felt that this was the right course to take; the vote was taken at once, and Mr. King's government got a vote of confidence. That precedent, Mr. Speaker, I had in mind when I said in a statement I made immediately after the election of June 20:

> No government has the right to remain in office unless it can command the support of the majority of the House of Commons. The Prime Minister, therefore, should have parliament called into session at the earliest possible date and seek a vote of confidence.

That would have been the right course for the government to take even if there had been no exceptional circumstances and no financial crisis. But in the circumstances disclosed immediately after the election, there was an additional and compelling reason for the government to take that course. Instead the government chose to take action on its own to delay to the last possible date the meeting of parliament, and to carry on in the meantime as though it had the confidence and support of parliament, making appointments to the public service, to the judiciary, to the Senate, which appointments should never have been made by the government until it had been assured that it had the support of the elected House of Commons. If the proper course had been followed, the course which would have recognized the rights of parliament, the course which was advocated so strongly by Mr. Meighen in 1926 and followed at that time by Mr. King, there would have been a debate at the earliest possible moment on the speech from the throne, when consideration could have been given to the government's austerity program, to any long range proposals which were brought in, to the situation regarding the financial crisis, as we were told it was, and to the forthcoming commonwealth meeting of prime ministers. In the midst of this situation of emergency and crisis, the question could have been decided on the vote in the light of what was required by the country in a time of emergency. But that course was rejected by the government, even though it was advocated at that time both by the Social Credit and N.D.P. parties. The government merely said: Let us cool off and forget the election. By that attitude and the attitude they have taken since, they now deny the existence of a crisis, either financial or economic. They deny that there was any emergency that justified the calling together of parliament, and they face this parliament according to their own protestations in a very different national situation, and I will have something to say about that at eight o'clock, Mr. Speaker.

Mr. Deputy Speaker: It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Pearson: Mr. Speaker, at the six o'clock adjournment I was discussing what I thought was the proper course for the government to have followed during the summer in respect of the summoning of parliament. Before I go on with that I should like to correct an inaccuracy in one of my statements this afternoon when I said there had only been two cabinet ministers in the Senate in this government and in a government in the early 1930's. It has been brought to my attention that a former minister of trade and commerce, Mr. MacKinnon, for many years a member of the House of Commons as minister of that department, was transferred to the other place and served in that other place as minister without portfolio along with the leader of the government in the Senate; so that in that sense I was inaccurate.

I feel strongly, Mr. Speaker, and I tried to express that feeling this afternoon, that parliament should have been called at the earliest possible moment this summer when we were told that we were in the midst of a financial and exchange crisis. If at that time a crisis of that kind had required special consideration by parliament and if the government had needed special support to deal with the crisis, that could have been made clear in the speech from the throne and parliament could have taken whatever action was thought desirable to meet this critical emergency. That course of calling parliament was rejected by the government.

It was said that we were merely to cool off. By that attitude, by what they have said since and by what they have included in the speech from the throne they have denied that there is any longer a situation of emergency or crisis, financial or otherwise. Certainly they have denied, by not calling parliament, that there was a situation which justified taking that action, and in doing that they have confirmed that the situation today is very different indeed now.

We meet today, Mr. Speaker, in that changed situation. We are told that the emergency program of the government has worked so successfully that the immediate crisis has been removed. When that emergency program was put into effect, when the austerity program was initiated, we on this side of the house endeavoured in the national interest to co-operate and endeavoured not to oppose it. We did not exploit it for any partisan advantage even though parliament was not to be called. No matter what we may have thought of the government's responsibility in getting us into that crisis, or of its deceit in concealing it, or of certain details in the program as such, such as import surcharges and the 6 per cent bank rate, we said no word and took no action which would interfere with the effectiveness of these emergency measures in order to give them a chance.

The newly elected Liberal members of the House of Commons met in Ottawa in caucus on June 27 and they issued this statement:

> The Liberal party will co-operate in effective measures to protect the soundness of the currency. Defensive emergency measures are now essential, but they must not last beyond the emergency.

Of course, the speech from the throne tells us that the emergency is over.

> In addition to meeting the financial emergency, there must be effective and constructive measures to get Canada's economy moving forward again; to restore full employment and to bring about the freest possible trade. All these things must and can be done without the sacrifice of financial stability. The necessities of an emergency program should not take our minds off this ultimate objective of an expanding economy with social progress and strong national purpose.

I myself, Mr. Speaker, as leader of the party, had said on the previous day, June 26, in a statement which I issued:

> All Canadians will agree that the country needs farsighted leadership and united action to prevent further devaluation of our dollar.

That was in the light of the crisis as it had been declared. Then I went on:

> Emergency measures have now been taken to this end. Everyone, including the Liberal party, will support whatever these measures can do to restore confidence in the value of our currency. Our party will judge them solely by what is best for the country.

The Prime Minister showed his appreciation of that attitude, or his lack of appreciation, by deciding not to call parliament until September 27 and in the meantime to carry on as if nothing had happened on June 18. Is it to be wondered, Mr. Speaker, that we have no confidence in this government? Apart from its record over five years of ineffectiveness, confusion and indecision, are we to vote confidence in these same men, or those of them who are left, who have been so wrong so often and whose administration of the nation's business has been so bad?

Meanwhile the government's emergency measures remain in force, according to the speech from the throne, until circumstances make their removal possible. So we cannot any longer call them emergency measures. They are now government policy. But the Liberal party has not accepted, does not accept and cannot accept these Tory measures, put forward after the election as part of an emergency program, as policy of any value for the solution of our long range economic problems. In the emergency of June after the election there was no alternative, I know, because of the mess we had got into, but to borrow from abroad, though the Prime Minister said during the election that was not his policy. There was also no choice but to take some direct action to cut our spending abroad.

The Liberal party rejects as economic policies emergency measures which will not solve our problems but may indeed make them more difficult. The tariff surcharges, for instance, reduce trade and they must go. Cuts made in public works could reduce construction and employment where it is most needed. Tight money will make it harder for Canadian industry to get Canadian capital for expansion, and that has an effect on our balance of payments position. It will make it harder for provinces and municipalities to finance necessary investments in economic and social progress.

The short term inflow of capital due to high interest rates must be replaced by foreign investment for development, not hot money, and by a sensible trade policy. Austerity measures are only of emergency value in repairing the mess created in the last five years. A return to expansion and to growth will require very different measures indeed from these emergency measures. These emergency measures, Mr. Speaker, must be temporary, especially since they are on the whole restrictionist in character and their success as emergency measures will depend on the speed with which the government can get rid of them. In an economic sense austerity, whatever moral values it may have, makes no sense with unemployment and excess unused capacity. We need, above all, stability and confidence in our future, in our destiny, in our growth. We need new jobs that can only come from growth.

Now, of course, one of the most important sources of these new jobs, an important source of employment, is trade. This brings me to a matter which is mentioned in the speech from the throne, and which has been mentioned a great deal by the Prime Minister (Mr. Diefenbaker) and his colleagues,

the commonwealth economic conference in London and the prospects arising out of that conference for increasing our trade and therefore increasing employment in Canada. I know that I have been told we have no right to criticize the Prime Minister's actions at a commonwealth economic conference. I know also that he has claimed that his objective at the conference was to protect Canadian interests, Canadian jobs, Canadian income.

Well, Mr. Speaker, of course what other purpose would the Prime Minister of Canada have in going to an international conference? Of course, we accept without question the fact that was his intention, that was his objective, that was his desire. The question, Mr. Speaker, is how did he act in order to achieve that essential and desirable objective? By what methods did he protect Canadian interests, with what understanding of the situation?

There are two ways, as I see it, and this may be an oversimplification, by which this could have been done. He could have tried to protect Canadian interests by getting the best possible terms for Canada. I am now talking about United Kingdom entry into the European common market. He could have achieved this by exerting a strong but friendly influence on the United Kingdom to that end, while accepting the creative importance of United Kingdom entry into the European common market. Alternatively, he could have protected Canadian interests—and this is what I think he tried to do—by insisting on terms that would have kept the United Kingdom out, something which in itself might have been considered to be desirable. I suggest that his tactics, his policies, were based on that latter attitude.

Mr. McPhillips: Are you saying this for Washington?

Mr. Pearson: That is a very intelligent remark, and it is an especially intelligent observation from the member of a government which has at last discovered the wisdom of President Kennedy's trade policy.

I know, Mr. Speaker, that the making of the British entry difficult, perhaps to the point of impossibility, was also the avowed policy of certain other members of the commonwealth. They, however, with far more at stake than Canada in terms of immediate damage to their trade, played their cards far more cleverly and secured a much better reception for their position than Canada did.

An hon. Member: How do you know?

Mr. Pearson: Someone on the other side says, "How do you know?" I quote a very good authority, the secretary of state for commonwealth relations in the United Kingdom, who ought to know. He is quoted in a newspaper which is of unimpeachable accuracy and integrity, the Toronto *Telegram*. The reporter for the Toronto *Telegram* in London quotes the secretary of state for commonwealth relations on September 17, 1962, as follows:

> That where Australia and New Zealand were constructive and helpful in trying to find ways of improving commonwealth market terms, Canadians were intransigent.

Our Prime Minister, instead of talking softly in public and negotiating strongly in private, took from the very moment of his arrival in the United Kingdom, shaky though his position was at home, an aggressive position that was not likely to be effective in securing his own asserted objective of protecting Canadian jobs and income. Immediately on arrival he made two public suggestions, one of which was certainly bound to cause a lot of controversial excitement and give great comfort to the discordant British elements of the extreme right and extreme left who for different reasons were opposing British entry into the common market. They were bound to seize on any statement of this kind that was made by the Prime Minister of Canada and use it for their own purposes.

One of these two suggestions was to the effect that there must be a second prime ministers conference before Great Britain entered the European common market. This is not reflected in the communique, although continuing consultation is reflected. The other, and far more important suggestion made by our Prime Minister on his arrival in England, concerned an alternative plan to British membership in the European common market. Once that statement was made, the Prime Minister at once became the leader of the commonwealth opposition to the United Kingdom on this issue, a position which he, most of all of those attending, should have been careful to avoid. At first, Mr. Speaker, the Prime Minister was a little vague and coy about his alternative plan, about which apparently no one in Ottawa knew anything. He would give it only if he were asked to give it or if the United Kingdom decided not to press for entry into the common market.

Finally, at the end of the conference, the great alternative plan was produced. Well, it proved to be neither a plan nor an alternative. However, it certainly indicated the Prime Minister had lost his faith, more than once reiterated in earlier statements, in Prime Minister Macmillan's declared promise to safeguard commonwealth interests, and that included Canadian interests, in the common market negotiations. The plan, since that time, has been politely ignored. We are now

being told—I think the Prime Minister has said it himself—that the British minister in charge of common market negotiations, the Right Hon. Edward Heath, has endorsed it. When I read that statement I was interested in the kind of endorsation Mr. Heath would give to this kind of plan, so I looked up the London *Times* to see exactly what he said at his press conference. This is what he said, according to the London *Times*. This is the great endorsation of the plan:

> Although Mr. Diefenbaker's suggestion for an international conference had not been discussed, it could be read into a part of the communique . . . as could the United Nations proposal for a world conference or indeed any similar initiative.

The president of Pakistan, who was a very welcome guest of the Canadian government a few days ago, did have some very friendly things to say about the Prime Minister's plan; but the finance minister of India, speaking in Ottawa a few days later, and he was here on business, merely remarked about the Prime Minister's proposal for a world trade conference of like-minded nations that a similar proposal had been made at the United Nations and that he could see no point in "duplicating, triplicating or complicating" that earlier proposal.

The fact is, of course, that this proposal of the Prime Minister's was a last minute attempt to divert attention from the failure of his tactics in London and from the very bad reception that they had in the United Kingdom and in Canada.

In view of what happened in London perhaps it is well to remember that in diplomatic negotiations with friendly governments you make your case most effectively and strongly when you do not invite misunderstanding or create ill will. It is also perhaps well to remember the old Chinese proverb, which seems to have been forgotten: "The wise man does not use a hatchet to kill a fly on the forehead of his friend." You must also know very clearly what you are seeking, not only for the short run but for the long run. In this sense the ideals and objectives of the Prime Minister may have been beyond reproach, but his diplomacy and negotiation at London for the realization of those objectives, for the protection of Canada's real interests, were both ineffective and unsuccessful. As so often before, this government exhibited its peculiar genius for getting into quite unnecessary difficulty with its friends.

On this occasion it has followed the normal course, when these things happen, of blaming others for its own difficulties, and in particular the press which, as usual, has been inaccurate and unfair. The British press, and that is not a Canadian Liberal press, was shameful, according to some reports from government sources, and the Canadian correspondents were misguided largely, we are asked to believe, because the Canadian delegates followed the press rules of the conference after others had broken them. Mr. Speaker, are our representatives really so naïve as that? All this was merely a convulsive reaction of a confused and ineffective administration when things go wrong for it, as they so often do.

So far as the Prime Minister's tactics at London were concerned, they have been condemned by a good many journalistic supporters of his own government; yet the Prime Minister now tells us he really accomplished everything he wanted to in London.

Mr. Winkler: He did not sell Canada short.

Mr. Pearson: He did not sell Canada at all.

Mr. Winkler: That is your policy.

Mr. Pearson: The Prime Minister now says everything went very well at the conference and that the atmosphere, to use his words, was "friendly and fair." His words were quoted by Mr. Richard Jackson in the Ottawa *Journal*, and Mr. Jackson was very close to the Prime Minister at the conference. He also said:

> At no time were there bitter words as reported by clandestine sources to some newspapers. The communique showed this.

However the same Mr. Richard Jackson in his very interesting report—as his reports always are—in the Ottawa *Journal* of September 20, which lauded the Prime Minister's position at the conference and accepted without question, indeed with ecstatic endorsation the above statements, himself added, perhaps a little carelessly at the end of the same article, these words:

> Both sides in the communique gave out with the old con—the ten days of talks had all been buddy, buddy. This—

said Mr. Jackson

> —was eyewash. Blood had been spilled.

Well, Mr. Speaker, it was not as bad as that but all who support the commonwealth of nations, this essential association of men and nations representing all races, all creeds and all continents, could not help but be disturbed by some of the implications as reported from the London meeting.

A very careful and experienced observer, Mr. Robert Duffy, reporting in the Toronto *Globe and Mail* on September 20 expressed this worry, and I am sure it is one which must trouble a lot of people. He wrote:

> Despite the genial communique on Wednesday and benign comments on it by various prime ministers, it must be obvious to everyone that the past ten days at Marlborough House have done the commonwealth no good at all.

He went on:

> The commonwealth concept (or is it a myth?)—

These were his words, and I am sure it is not a myth:

> —has in fact been perceptibly damaged—just how badly, and with what prospects of repair, only the future can tell.

We must hope that this is not so and that that report is too pessimistic. But certainly it is a fact, and the London conference underlines this fact, that the nature and character of the commonwealth of nations has now changed as its composition has changed and as its membership has increased. Perhaps the old informal clubbish atmosphere of pre-world war II, and immediately after that war, when a few prime ministers sat around a table in Downing street has gone forever, and this involves problems and creates new challenges for the new commonwealth.

The case against the government's tactics and policy at the London conference takes us back to the months before that conference, to the government's general attitude to the development of the European economic community, and to Britain's possible membership in that community with all that that might mean for the commonwealth and the world. That attitude on the other side of the house has shown, from the very beginning, an amazing unawareness of the historic significance of what was taking place on the continent of Europe, a significance which is as political as it is economic.

When the possibility of Great Britain joining the common market first arose a few years ago, and when that possibility was brought to the attention of the government by the opposition in this house—and the record of *Hansard* is clear on that point—it was shrugged off by the government as unlikely, if not impossible, or at least not worth talking about. When that reaction was shown by events to be wrong, then the next reaction was one of carping and negative criticism, expressed at times in terms that were not very friendly to the possibility of this change taking place.

Then we have the recent London conference, where the Canadian representatives adopted an attitude that ill became a government with the record of this government in respect of trade with the United Kingdom. The whole record of its trade relations with the United Kingdom was such as would have made it only decent that we should have been at least careful regarding how we would take our stand in London to protect Canadian trading interests.

That record is a revealing one of fine words. Oh, yes, Mr. Speaker, it is a record of many fine words which, as one British member of parliament put it, "buttered no parsnips". The house knows that record and I am not going to go into it in any detail this evening. We know it from August, 1957, the fiasco of the 15 per cent diversion offer. It did not fool us on this side, but it apparently fooled the British for a short time, because in response to this 15 per cent diversion offer they made, through Mr. Thornycroft, who was then chancellor of the exchequer, an offer on behalf of the United Kingdom to help bring about the promised diversion in the only way it could be brought about, by eliminating all British tariffs on Canadian goods if Canada would reciprocate. We know what happened to that. It was ignored; it was rejected by being ignored.

We know what followed that—an increase of duties against certain British imports. We know during 1960 about the warnings of the minister of finance of that day, the Minister of Trade and Commerce (Mr. Hees) and the Minister of Agriculture (Mr. Hamilton) uttered as to the dangers that would come from Great Britain joining the European common market, referred to by the Minister of Agriculture in Vancouver as merely "a rich man's club". That was his interpretation of this historic European development.

We remember in August, 1960 how the minister of finance in Ste. Adele, Quebec, could hardly disguise his threats of retaliation if the United Kingdom should join ECM, and we remember—

Mr. Fleming (Eglinton): That statement is just rubbish, and you know it.

Mr. Pearson: I have read the minister's speech and I will draw my own conclusions.

Mr. Fleming (Eglinton): That is a gross perversion of the truth.

Mr. Pearson: And we remember how the Minister of Trade and Commerce in Paris, just a few weeks after that, said that unless the European common market, which was lowering its tariffs at that time, actually reduced its announced new tariff changes affecting Canada, we would retaliate by increasing our tariffs against ECM. That is, unless they were reduced even further.

Also, we will never forget what happened at Accra in the autumn of 1960—

Mr. Fleming (Eglinton): You have not learned the truth yet, apparently.

Mr. Pearson: —when the United Kingdom was told that if they considered going into the European common market, that was the beginning of the "slippery slope". Important members of this government have tried to make it slippery ever since then.

Mr. Pickersgill: It was slippery before then.

Mr. Pearson: Mr. Speaker, in the face of this record the government of Canada saw fit to adopt the tactics that it adopted at this recent conference. Oh, Mr. Speaker, they do not seem to be aware of how much is at stake, not only for Canada but for the commonwealth and for the world in these changes that are taking place.

I would like to read what *The Economist,* which is a highly regarded and most respected business weekly, had to say about this. *The Economist* of London, England, in an editorial of September 8, 1962 entitled "Facing the Commonwealth" said, and I quote one paragraph from that magazine:

> What the British entry into the common market ought in the long run to offer the commonwealth is a firm link with the new Europe that is now being shaped.

And, thank God, it is being shaped.

Some hon. Members: Hear, hear.

Mr. Pearson: Those words are mine.

An hon. Member: They sound like it.

Mr. Pearson: Then the article goes on to say:

> The vision of this great adventure—

An hon. Member: The great "I am".

Mr. Pearson: It goes on to say:

> The vision of this great adventure—for that is what it is—is only too easily lost from sight among the wrangling about immediate and particular interests. But the question that leaders of opinion in commonwealth countries should really be asking themselves is: do we want a key to the European door, or do we not? If the answer were to prove a negative one—

An hon. Member: Back and front.

Mr. Pearson: As I was saying:

> If the answer were to prove a negative one, that would—tragically—suggest that the commonwealth has exhausted its vein of dextrous adaptability to change in the world.

Then a week later, on September 22, after the commonwealth conference was over, *The Economist* has this to say:

> What one has missed in the last ten days, from the commonwealth leaders is an understanding of the plain fact that the uniting of Europe brings a new force into the world—and that Britain's participation is the best guarantee that the force will be steered in the right direction.

If our Prime Minister had shown some understanding, some awareness of the concept of what is happening in Europe and had expressed himself along those lines in London, what he had to say about protecting Canadian trading interests might have been understood; but what he did, of course, was quite the opposite. He publicly dissociated himself from that part of the communique in which was put the reasons for joining and the beneficial results which might be achieved by everyone in that event.

Instead he told the press, as reported by the Canadian Press correspondent in London, in a report which has not been denied, that British entry into the common market must raise the question of whether the effect would be to make North America feel less obliged to share in Europe's defence.

Some hon. Members: Shame.

Mr. Pearson: And the story went on to say that his reference to a possible reduction in North America's interest under NATO was a new talking point.

Mr. Speaker, that report has not been denied, and it has appeared in all newspapers on both sides of the Atlantic.

Mr. Diefenbaker: It was denied. That is one thing you did not read.

Mr. Pearson: That report Mr. Speaker, was not denied. No denial of that report appeared at the time it was made.

Mr. Diefenbaker: Yes, it did.

Mr. Pearson: A subsequent denial, I think, was issued by the Prime Minister after he got back to Canada many, many days later. I ask the Prime Minister what mandate he feels he has to speak for North America.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: What right did you have to speak about Suez in the way you did?

Some hon. Members: Oh, oh.

Mr. Pearson: I will be very glad indeed to speak about Suez at any time, as I have in the past, and I will be very glad to remind the Prime Minister of his attitude at that time, which would have destroyed the formation of the first United Nation's permanent force.

Some hon. Members: Hear, hear.

Mr. Pearson: Mr. Speaker, there are those who say, of course, that we in the opposition have no right to criticize the tactics followed by our Prime Minister while he was in London. This government which refused to call parliament before the conference; which refused to give any information, publicly or confidentially, to anyone outside cabinet about the policies it proposed to follow in this critical international matter; this minority government was to be immune from criticism and public opinion was to conclude from our silence that we approved of what was going on.

Mr. Churchill: Why did you not wait until he was here in Canada before you made your statement?

Mr. Pearson: Why did not the Prime Minister call parliament before he left for London? What a frightened and undemocratic position to take.

Some hon. Members: Oh, oh.

An hon. Member: You should talk.

Mr. Pearson: Mr. Gaitskell, the leader of the Labour party in England could criticize, and strongly, Prime Minister Harold Macmillan of England, but I must not criticize the Prime Minister of Canada.

The limits of misrepresentation of the criticism we did make were reached by the local Conservative newspaper which claims that we Liberals are taking the position, in our criticism, that Canada's trade policy should be determined by Whitehall and by some bureaucrats in Brussels without any Canadian voice at all.

Mr. Fulton: Hear, hear. That is your position.

Mr. Pearson: "Hear, hear", says the Minister of Public Works (Mr. Fulton). Well, that criticism is false to the point of absurdity. What matters is the kind of Canadian voice; what it says, and how it says it. There was a Canadian voice at Accra—but none at Brussels—shrill in its criticism of the United Kingdom, talking about this being the end of the commonwealth, the slippery slope. There was a Canadian ministerial voice publicly and unfairly berating the British government for not supplying a report of meetings with ECM negotiators, although the information had already been provided in a full precis of the report. There was a Canadian ministerial voice belittling the great move toward European unity as the formation of a rich man's club. There was a Canadian voice shouting about a 15 per cent diversion of our imports from the United States to the United Kingdom while rejecting British initiative as to how this could be done in the interests of both our countries.

That is the kind of Canadian voice we have been hearing. It is the kind of Canadian voice we want to hear no more. One result of the tactics adopted by the Prime Minister and some others in London is that they have tried to force the British government into a position where it would have to make a choice between the commonwealth and the common market.

Mr. Diefenbaker: That is completely false.

Mr. Pearson: There is no other deduction to be drawn from the stand taken which was that Britain must make a choice between the commonwealth and the common market.

Mr. Fleming (Eglinton): Rubbish.

[Mr. Churchill.]

Mr. Pearson: It was the same at Accra.

An hon. Member: No.

Mr. Pearson: That is my statement and I stand by it.

An hon. Member: You'll fall by it.

Mr. Pearson: In these tactics they may have isolated the commonwealth from the ideal of European unity with Britain and from the idea of an Atlantic regional economic bloc which could be expanded by the operation of the most favoured nation clause to include all other free countries. Of course, it is the duty of the Canadian government to seek the best terms it can as the United Kingdom seeks to join the European common market. But by the great doubt thrown on the whole idea of Britain joining the ECM a heavy, unwise and unnecessary responsibility has been taken which may have harmful and unhappy results for us all.

If the United Kingdom does not join the common market, will that be in the best interests of Canada? Is it to our interest to see a European common market with the United Kingdom outside, dividing free and western Europe into two groups? Would it help us if the common market is deprived of British experience, British wisdom and British pressure to follow non-discriminatory and expansionist trade relations with the rest of the world? Will it help us if we hinder the development of a strong Great Britain as a market for our goods by insisting that the price for entry into the common market must be the entire preservation of a system of commonwealth preferences already greatly eroded since 1932? If the British do not succeed in entering the common market, has this government any plan to deal with the resulting situation except its world conference proposal? If the United Kingdom government proposes a commonwealth common market arrangement, should they not be able to get into Europe, what would be the attitude of our government to that?

An hon. Member: What is yours?

Mr. Pearson: For a few short weeks you are still the government.

Mr. Fleming (Eglinton): You are still as negative as ever.

Mr. Pearson: If the United Kingdom repeats its proposal for the elimination of duties between our two countries, will the government again exclude that?

An hon. Member: Tell us.

Some hon. Members: Order.

Mr. Speaker: Order. In view of the fact that the rules provide that the hon. member who has the floor has the right to speak, perhaps some of the side remarks could be contained for other occasions, not in this house.

Mr. Pearson: If the Minister of Trade and Commerce (Mr. Hees) and the Minister of Public Works—

Mr. Hees: I have not been saying a thing.

Mr. Pearson: True, the minister has not said a word and I have not said he has, but I am saying that if he and the Minister of Public Works (Mr. Fulton), and other ministers, wish to ascertain a sensible attitude to this question, let them read the statement made by the hon. gentleman's deputy in Vancouver. There is no doubt that Britain's entry into the ECM will confront us with problems in this country. Britain's rejection by the ECM would confront us with greater problems, so the urgent task at the commonwealth meetings in London was not to patch up the old system, not to try to make this choice between the common market and the commonwealth, but to begin a new structure of commonwealth trade within the pattern of a new trading world. Britain can gain political and economic strength by full partnership in Europe while remaining the heart and centre of the commonwealth, but a declining Britain will never mean a stronger commonwealth. There have been few greater challenges to statesmanship than the relationship we should all adopt to these European developments. If that challenge was not met in London, that was due in large part to the negative and shortsighted attitude taken by the Canadian government which over recent years has had nothing constructive to propose and no leadership to give.

Hon. members ask: What would you do? We have put this on the record in the House of Commons ever since 1959. We would have accepted as a desirable objective Great Britain's accession to the European common market and we would have gone to work at once to see how we could have associated ourselves with that move. That could have been done by showing some understanding and sympathy for the United States freer trade initiative and by trying to work with the United States and with the European common market and the United Kingdom so that the benefits of any agreements, through the most favoured nation clause might apply to all our friends as well. We should not be dragging hopefully behind the Kennedy program, which the Prime Minister has now discovered, or throwing road blocks in the way of the United Kingdom's desire to move across the channel.

There is, of course, a very important connection between trade and jobs, and the most important need of the Canadian people at the present time is jobs. The most important task before any parliament is to find employment for the Canadian people. We have heard a great deal of complacent talk from this government about employment. This complacency reached its peak, of course, just before June 18. On June 14 the Prime Minister claimed in that famous television broadcast:

> Full employment is now about to take place.

This was in June.

> In this month of June we may well reach that long-looked-for goal of virtual full employment. It will certainly be achieved, as I see it, in July or August.

Mr. Speaker, we now have the figures to set beside the Prime Minister's vision. Unemployment in June: 301,000. That is not bad, and I am glad to say that it was an improvement over the previous June. It was not as bad as the previous June, because it was then 370,000. But, Mr. Speaker, 301,000 people were out of work even in June. Is that what the Prime Minister means by full employment? Is that his "long-looked-for goal"? Will he tell the Canadian people that his idea of full employment is to have two or almost three times as many people looking for jobs as there used to be before his day? Will he admit that? He had better look up the figures, because he will have to admit it.

An hon. Member: How many were there?

Mr. Pearson: I will put the figures on record, seeing that they are being challenged now across the aisle. Will the Prime Minister admit, when he told the electorate in June that the unemployment problem was "licked", and that we will certainly have full employment in July or August, that he was wrong again in that prediction? In June, Mr. Speaker, it was inconceivable that we would have full employment this year. But this was before the election. Economists can argue about the details, but certainly we do not have full employment when in the summer 4 per cent of our workers do not have jobs. That has been the situation this summer, and according to the government's own statistics it is equivalent to an unemployment level of 6 per cent on the average through the year. In the Liberal years from 1946 to 1957 the average was 3 per cent; and in the summer months it was generally below 2 per cent.

In other words, Mr. Speaker, this wonderful year, this year the Tories are so proud of, except in an electoral sense, is twice as bad for unemployment as an average Liberal

year. Well, Mr. Speaker, there was then no shred of evidence for saying, when the Prime Minister spoke in June, that we would have full employment in any true sense this summer. That statement was inconceivable to any responsible person. I invite the Prime Minister when he speaks to give us one of the only two possible explanations. Either he was wrong and he knew that he was wrong; or what he means by full employment is not what the Canadian people mean. It is what anyone else would call a serious level of unemployment. In June, 1957, let me remind the Prime Minister, there were 177,000 unemployed men and women in Canada. Five years later he said that he had reached the "long-looked-for goal", and we have 301,000 unemployed. Perhaps that is progress and achievement. But that was the June figure. In fairness to the Prime Minister, I must add, and I have repeated these words, that he only "thought" we would get full employment in June; but two months later he was sure there would be full employment. And so he told the Canadian public, again on television during this speech made, I think, at Brantford on June 13, and he was a little more personal about it. He got a little more personal towards the end of the election. These were his words:

> Pearson and Martin will find out that in July and August we will have the lowest unemployment total in five years.

That is not much of a standard, Mr. Speaker. The five years are Tory years, and the standards are pretty low; but even so, when July and August came, Pearson and Martin did not find out what the Prime Minister told the electors we would find out. In August 280,000 people were without jobs. Even in the Tory years, the five years, there were ten previous months when unemployment had not been as bad as that.

For the month of July the Prime Minister was even further from the mark, because the unemployment figure of 308,000 was more than it had been at twelve earlier Tory dates. But of course, Mr. Speaker, the comparison to be made is not between one Tory month and another, inaccurate though that comparison has been. The comparison is between the situation in these last five years and what it was before this government came into office. The Prime Minister talks now about full employment, that he has "licked" unemployment. He said that we would have full employment in July and August, when it is more than twice as bad, nearly three times as bad, as it was in the summer of 1956.

Mr. Speaker, I direct this question to members of all parties of this house, and I ask them to consider it in their hearts and in their consciences when they come to vote on this amendment: How can we in Canada prosper with a government that thinks that 300,000 unemployed in midsummer is something to boast about? How can we meet the needs of the Canadian people with a government that says that we have full employment, when 300,000 men and women are looking for work in summer? How can we have confidence in a government which seems to think that a summer unemployment figure of 300,000 is good enough for the Canadian people?

Mr. Fulton: I thought you admitted that it was 280,000?

Mr. Pearson: The minister is obviously a little disturbed and a little agitated about it.

Mr. Fulton: I was just trying to be accurate.

Mr. Pearson: Not knowing what these figures are, you now contradict what the Prime Minister of this country said during the election.

Some hon. Members: Oh, oh.

Mr. Pearson: The speech from the throne talks in glowing terms about 200,000 new jobs that have been created; 200,000 are to be created every year. Well, Mr. Speaker, the annual increase in the labour force during the last year was just about 200,000. Is that the objective that we are to achieve? Is that our goal? Is that our target—to create enough new jobs to take care of people coming on to the labour force, but to do nothing about chronic unemployment? With only 200,000 new jobs a year, that is exactly what must happen. Our real need is not a million new jobs in five years; it is a million jobs, as I have said more than once in this house, in four years. That is what we will have to find in order to get back to full employment; not to full employment as some theoretical abstraction, but to the level of employment which was reached under Liberal administration when we did have full employment.

Mr. Speaker, the most urgent problem before us at the present time is the creation of enough jobs to take care of the men and women coming on to the labour force, and to liquidate this problem of chronic unemployment. For that purpose we need action. We need a positive program of constructive policies, instead of the Tory leftovers in the speech from the throne.

At this time I can give only some part of the program that we are going to put forward, and I will leave other parts to be filled in by my colleagues during this debate, if indeed the debate goes on.

Mr. Fulton: It has not started yet.

Mr. Pearson: What we need first and foremost is action for employment. How can we in Canada create the jobs that will give the unemployed a fresh start? How can we provide for the growing number of young people who are leaving our schools and colleges? How can we provide for them the opportunities they ought to have and deserve? How do we get more jobs, better jobs, secure jobs?

For these purposes there are three main steps that a Liberal government will take. We put these forward before, but in those days with the massive majority opposite no attention whatever was paid to them. They were not even debated. They were howled down when they were not ignored. First, we must have more construction, and this has some bearing on tight money. This means, of course, that our construction industry must not be strangled by the present tight money. We must provide Canadian capital for the work that needs to be done, and the biggest area of construction that is being starved today falls within the responsibility of the municipal governments. They cannot borrow at reasonable interest rates and the burden of the municipal taxes is already very heavy indeed. In other words, municipalities cannot pay for the great amount of construction and development work that needs to be done, and it surely makes every kind of economic sense to do the work rather than to have people unemployed, not producing and having to be supported without earning.

New streets, new bridges, new sidewalks, storm sewers and sewage systems, expanded water supplies, new housing, urban redevelopment—all these things need to be done and must be done. They call for an intensive effort by all Canadians and with every level of government in Canada cooperating. The contribution of the Liberal party in a Liberal program to meet this challenge is a national plan for municipal development. It will be carried out, of course, by agreement and in co-operation with the provinces, with the three levels of government working together to promote sound development where it is needed, where Canadians live and where they need jobs.

For that purpose, Mr. Speaker, we will set up, in consultation and agreement with the provinces and municipalities, a municipal loan fund. A municipality will be able to come to the fund for projects which it cannot finance at reasonable rates in today's tight money market. This is nothing new on our side. We have been putting this forward for five years and perhaps now the people on the other side will pay some attention. Of course, it will have to be done in co-operation with the provinces and the approval of the provinces will be required, but provided it does have that approval this is something that can be done and should be done. I appeal to the Prime Minister and the government to forget their past ignoring of this particular problem and to do something to co-operate in putting this kind of thing into effect. It seems to me it is more important to put men to work in the municipalities in construction jobs with federal help—and I state this to the Prime Minister—than it is to rake up the old coals of Suez.

Some hon. Members: Oh, oh.

Mr. Pearson: That will help a lot, Mr. Speaker, but it will not do everything. I know hon. gentlemen opposite are having a hard time taking all this in.

Mr. Winkler: A hard time taking it seriously.

Mr. Pearson: Here is another measure that perhaps may appeal to them, although they seem to jeer at these proposals to put people to work. Having made such a colossal failure of their own proposals in the past they do not take easily to proposals made by anybody else that might succeed if everybody would co-operate to make them succeed.

Through Central Mortgage and Housing Corporation we would provide capital grants with an extension of the federal share of expenditures for slum clearance and urban renewal. For important development projects, especially in areas particularly needing new development, we will supplement municipal loans with federal grants.

Mr. Sevigny: Where have you been all these years?

Mr. Pearson: I have been watching this government for the last few years do none of these things.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Ricard: You were sleeping.

Mr. Fleming (Eglinton): Rip van Winkle.

Mr. Pearson: The best proof of that fact, Mr. Speaker, is the figures I gave recently about unemployment. If they were so successful in these projects, why is it we have all this unemployment?

Mr. Ricard: Seven hundred more people working now than in your time.

Some hon. Members: Oh, oh.

Mr. Ricard: Seven hundred thousand more people working now than in your time.

Mr. Pearson: If they jeer at these proposals now because they have been so successful in creating opportunities to work, I wonder if they noticed in the press this morning a report of experts in Washington on unemployment statistics in the seven leading western industrial countries. Who was at the top of the list in terms of unemployment? Canada.

An hon. Member: Don't gloat over it.

Mr. Pearson: That is the record of this government.

Some hon. Members: Shame.

An hon. Member: That was in 1960.

Mr. Fleming (Eglinton): Mr. Speaker, may I ask a question?

Some hon. Members: Sit down.

Some hon. Members: Order.

Mr. Deputy Speaker: Order.

Mr. Fleming (Eglinton): May I ask the Leader of the Opposition a question?

Mr. Ricard: He is afraid of questions.

Some hon. Members: Sit down.

Mr. Deputy Speaker: Order. I would appreciate the co-operation of hon. members in taking their seats when I am on my feet, so that I can say what I have to say. I have been having some trouble hearing the debate in the last few moments. Unless the leader of Her Majesty's loyal opposition is prepared to yield the floor to the Minister of Justice then the Minister of Justice should not pursue his attempt to make an interrogation.

Mr. Fleming (Eglinton): I assure you I would not have pursued it if the Leader of the Opposition had not indicated—

Some hon. Members: Sit down.

Mr. Fleming (Eglinton): —that he was prepared to allow me to ask a question. Hon. members opposite were making such a howling noise that you could not hear the Leader of the Opposition indicate that he would accept a question.

Some hon. Members: Sit down.

Mr. Deputy Speaker: Order. If there have been interjections that have not been too acceptable on either side, it has been very difficult for the Chair to hear them even with the use of a hearing aid. Accordingly I give the floor to the Leader of the Opposition and he can yield it to the Minister of Justice if he so desires.

Mr. Pearson: If the minister has a question I will be very glad indeed to hear it.

[Mr. Ricard.]

Mr. Fleming (Eglinton): Would the Leader of the Opposition indicate what period these statistics to which he referred cover, because I happen to know they were not recent ones?

Mr. Pearson: I will be glad to do that. The report was for the year 1960, a year during which this government was in power.

Mr. Fleming (Eglinton): Two years ago.

Mr. Pickersgill: That was the year of the great recovery.

Mr. Pearson: That was the year of the minister's great recovery. That was the year when unemployment was going to go with the snow.

Mr. Fleming (Eglinton): Give us up to date figures now.

Mr. Pearson: The figures to which I have referred covered Canada and other countries and the Canadian figure was 7 per cent. The next highest, the United States, was 5.6 per cent. That was 1960.

Mr. Fleming (Eglinton): Will you give us 1962 now?

Mr. Pearson: The minister will correct me if I am wrong but I believe the 1961 unemployment figure in Canada was higher than 7 per cent. I think it was 7.2 per cent, so perhaps the minister had better stick to 1960.

Mr. Fleming (Eglinton): Will you give us up to date figures? Give us 1962.

Mr. Pearson: The Minister of Justice says, what about 1962? We are still in 1962 and by the end of 1962 the minister probably will not be around to ask for them.

Mr. Fleming (Eglinton): More evasion.

Mr. Pearson: Mr. Speaker, these are the important measures which, if put into effect, could do something to cure this economic evil of unemployment. What it adds up to is this: We will make it possible for the municipalities to have a massive increase in construction. We know this is going to cost money but, Mr. Speaker, it will be an investment expenditure by the government, an investment which will more than pay for itself in increased employment and incomes for Canadians. Half a billion dollars of construction means the equivalent of a year's work, I am informed, for 100,000 men, and their employment in turn would mean stimulation for a great deal of other businesses.

Well, that is part of our plan for more jobs, for better places for Canadians to live and work. Our point No. 2 is the promotion of new industries. Now, the government has talked a lot about that in the last five years, what they were going to do to promote new industries. However, they have talked more

than they have acted. We need new industries, especially in the depressed areas, and to achieve that purpose we will have to use, to a greater extent than we have before, the industrial development bank to provide special credit facilities for those areas. I know, Mr. Speaker, that this is in the speech from the throne. However, this kind of thing has been in the speech from the throne for the last four years. The government puts it in the speech, then they do not do anything about it.

Mr. Fleming (Eglinton): That is untrue.

Mr. Pearson: We have to work with industry on a co-operative basis. The government has to gain knowledge of the conditions of each industry in order to work out arrangements to achieve this objective. One instance, and perhaps the Minister of Trade and Commerce (Mr. Hees) will be interested in this, is the automobile industry. Last year we imported $300 million worth of automobile parts into this country. This represents the equivalent of between 40,000 and 50,000 jobs. Is it really impossible, Mr. Speaker, to produce more thoroughly Canadian cars? Can we afford to allow this situation to continue? Can we not do what other countries have done?

An hon. Member: Raise tariffs.

Mr. Pearson: It is not a question of raising tariffs at all; that is the only thing that occurs to my friends.

Mr. Martin (Essex East): Read your own report.

Mr. Pearson: Sweden, which is smaller than we are, has a successful automobile industry, and has an industry which is exporting automobiles to this country. Is that due to Swedish tariffs? Even the French and German industries have a domestic market which is not larger than ours. Surely, Mr. Speaker, in this country we have enough initiative and intelligence, enough co-operative effort with industry left to bring about that kind of situation in Canada. By going through our whole economy, industry by industry, we can get more things made in Canada without becoming a protectionist country. If the government wants to know how this can be done in Canada perhaps, let them not only read the Bladen report, let them do something about the Bladen report.

Mr. Martin (Essex East): Three years old.

Mr. Pearson: Yes, it is about three years old.

Mr. Martin (Essex East): On the shelf, dusty.

Mr. Fleming (Eglinton): The Liberals have come out for a big increase in tariffs tonight.

Mr. Pearson: The Minister of Justice (Mr. Fleming) says it can only be done by increasing tariffs, and that shows how reactionary and backward-looking he is. He is living in the nineteenth century. He thinks that these things can only be done in a protectionist economy, but that is not the way it has to be done; that is the not the way it would be done under a Liberal government.

Mr. Fleming (Eglinton): How would it be done?

Mr. Pearson: It could be done by tax incentives; it could be done by a sensible financial policy; it could be done by a sound fiscal policy; it could be done by a government making capital available in a co-operative enterprise with industry; it could be done in a dozen ways without raising tariffs. If the minister does not know anything about that—

Mr. Fleming (Eglinton): You do not.

Mr. Pearson: —perhaps that is why he was moved into the ministry of justice.

Now, Mr. Speaker, the third point—we have talked about jobs, about industry, about municipal development—is training. Before I say anything about this, and my hon. friends opposite are going to be surprised by this, I want to pay my tribute to what has been done by the government in the field of technical training. However, a great deal more needs to be done than has been done. The thing modern industry increasingly requires is skilled workers. I am sure the Minister of Labour (Mr. Starr) knows this; that is where the jobs are. It is, even more, where the jobs will be. For this purpose we have to invest more money in human resources. I cannot think of any other way by which we can get a better return from our investment. This means more and better vocational training. I have already paid my tribute to what has been done by the government in this field, and I do not think I need to repeat it. It means better vocational training for young people beginning work and also for the unemployed who need a fresh start, new skills. Perhaps most important of all, we need training for people who are now doing jobs that will decline in the changing years ahead. There should be a retraining program for these workers before, not after, unemployment.

We in the Liberal party, Mr. Speaker, are determined to establish a vigorous agency for job training which will work with industry and with the provinces, which will provide Canadians of all ages with the opportunity to obtain skills for better jobs. While this is important, it has to be backed up by improvement in the opportunities for basic education that the rising generation of Canadians deserve and can achieve. I know this

remains a function of the provinces. No federal government would desire to do anything which would interfere with that responsibility. However, helping the individual to take advantage of education is the concern of all Canadians. Far too many of our boys and girls are leaving school at 16 and drifting into aimless occupations, and many of them should remain at school to go on to university.

Mr. Monteith: We did something about it.

Mr. Pearson: You have not done nearly enough about it. I will tell you something more you can do about it, but you won't be given a chance. Family allowances should be extended from age 16 to age 21 for all of those boys and girls who are continuing their education. Our program—

Some hon. Members: Oh, oh.

Mr. Pearson: I know my hon. friends opposite object to this. They show it by their attitude. They will have no part of it. They do not believe in family allowances for this purpose, obviously, or they would not take this attitude. At one time they did not believe in family allowances at all.

We have already provided, Mr. Speaker, for a system of university scholarships and university loans which will enable every boy and girl in this country to get a university education if he or she can qualify for it, irrespective of his or her financial position. Well, that is one aspect and only one aspect of the Liberal program for growth, for jobs, for progress and for development.

Mr. Fulton: You are advocating bigger deficits or higher taxes.

Mr. Pearson: As I have said, this program will cost money but it will be an investment expenditure which it will be desirable to make. When this kind of expenditure is made and our economy is moving forward, then we can take further steps in the direction of social progress. There are two things specifically we can do under conditions of expanding economy, and which a Liberal government will do. The first is health care and the problems of old age, health care which has been so ignored by the government opposite.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: That is the best laugh yet.

Mr. Winkler: That is a good one.

Mr. Deputy Speaker: Order. If I could have the floor for just a moment, and although I know the Leader of the Opposition is fully capable of looking after himself, I wish to point out that there is a murmur of conversation coming to me from around the chamber and this makes it impossible to hear the interjections. I would ask hon. members for their co-operation in allowing the Leader of the Opposition to conclude.

Mr. Fulton: It is a very boring speech, Mr. Speaker.

Mr. Pearson: If you do not hear them, Mr. Speaker, I do, and they indicate quite an agitation in the minds of hon. gentlemen opposite. I have just said that in the field of health care they have done practically nothing in the past five years. They have referred this very important matter of health care to a royal commission, and this is what they always do when they are up against any problem.

In health care we have a clear objective. We know what we are going to do, and what we will be able to do before very long. We must make sure that every Canadian family can get good health care when it is needed, without fear of crippling bills. I ask hon. gentlemen opposite if they take exception to that plan.

Mr. Monteith: Not at all.

Mr. Pearson: Then why did you not do something? Of course, Mr. Speaker, the minister of health well realizes—

Mr. Monteith: The price tag.

Mr. Pearson: I think he is realizing things very acutely tonight.

Mr. Starr: Why did you not implement it since 1919?

Mr. Pearson: I know that the obstacles to such government action are very serious. The obstacles to doing it efficiently, responsibly and fairly, are serious. After the experience of Saskatchewan no one can underestimate the importance of the obstacles, but we have surely advanced to the point where these difficulties must be faced and solved. In the next Liberal government that will be done, and the question will not be referred to another royal commission.

Our plan will provide medical services without charge to children, to old people and to the unemployed. It will make sure that other people, people who are working, can get any medical care they need at a cost they can afford. This, Mr. Speaker, is a responsible, step-by-step plan that must be worked out in co-operation with the provinces and the medical profession. As I said before, for health care the present government offers nothing. It has tried to bury the problem, like so many others, by submitting it to a royal commission.

There is also the progress that should be made in the field of social security, arising

out of an expanding and growing economy, and that is towards portable contributory pensions covering everybody.

An hon. Member: That is in the speech from the throne.

Mr. Pearson: There is something in the speech from the throne on it and, as could be expected, there is a reference to discussing it at a provincial conference. The government says it will talk about it with the provinces before discharging its responsibility as a federal government; but a pension plan, as such, does not require any further constitutional amendment. It can be drafted by this parliament if any government would take the responsibility for doing it. There is doubt, of course, about widows and orphans benefits, but that need not hold up the main plan, if the government had one. We could go ahead with what we can do and then work out these other points later.

If the government is really determined that existing private pensions should be made portable, it can effectively secure that result by changes in the income tax administration.

I am sure the time has come when we in this country can, and should have, a national pension plan making an adequate and fully portable pension available, on a contributory basis, to every Canadian. That is the Liberal plan which we have worked out in detail and which a new Liberal government will be ready to carry out.

Those, as I see them and as my party sees them, are the five main lines of action we need in Canada today: construction, new industry, training, health, contributory pensions. Those are the main points of a program for Canada, a program which we have put forward and which we will put forward again, and those are the standards by which a party will be judged in the days and weeks ahead. Those are the standards by which this government stands condemned. It offers now, as it provided before, bumbling indecision instead of a plan; palliatives instead of resolute action; restriction instead of expansion, confusion instead of progress.

There is only one very unimportant reference to international affairs in the speech from the throne. There is no indication of any kind regarding the real seriousness of the international situation. There is a reference to Berlin, and that is about all. There is no indication of how things are really going in the world. True, there is some mention of disarmament, and the Secretary of State for External Affairs keeps working away at disarmament, going up to New York and to Geneva, and then back again. We wish him well and applaud his efforts and his sincerity, but in the speech from the throne there is practically no indication of what is going on in the world and of the dangers in which we live. There is, of course, a reference to our own position, and it is:

> Canada has continued to play an increasingly effective role in international affairs.

If that means that Canada is a country held in high regard for the achievements of its people in peace and war, for its promise of great progress under good government, for what it has done in the past and what it is going to do in the future, then that is good, but, Mr. Speaker, do not confuse it as a reference to the Canadian government. If the government tries to tell us that it has continued to play an increasingly effective role in international affairs, then I would ask it to present the evidence in support of that.

An hon. Member: Shame.

Mr. Pearson: There is nothing in the speech from the throne about defence policy, but one would expect that from a government which has no defence policy, and which is spending millions of dollars in ways that really do not add to our defence at all. What we should have had years ago, and what we fought for in this house, is a defence committee on policy where we could try to find out the principles upon which the government is acting in defence matters. We have never been able to do that, but when a Liberal government takes over that will be done. The defence policy will be examined by a committee in the House of Commons in the way it should be examined, in a way it has not been examined since this government took office.

There are other things required for a program of national advancement but, before we can put programs of the kind I have indicated into effect, there must be a re-awareness on the part of government of the needs of the people and the necessity of relating policies to those needs and those feelings. There must be an end to financial mismanagement and a beginning of efficient public administration of our affairs. I do not know if that can begin in the Senate. There must be a tightening of our belts, we are told, but it must be a tightening of the belt by the best method, which is an expansion of the body economic. The purpose of the Liberal policy is to provide for that expansion with increased production and incomes. Government social measures which are necessary can be paid for out of that expansion. That is the only way in which these payments can safely be made.

I know that government intervention these days is increasingly necessary in our huge and complicated society of concentrations of bigness and power; I know that government

must intervene more and more in order to protect the individual. But the object of that intervention must always be protection against those forces which would limit the freedom of the individual and would not itself limit that freedom.

Government should not be a prop. Government should provide the conditions where a man does not need a prop, but can stand on his own feet. Government cannot do everything, and the feeling that it can, and that it should, is one of the greatest threats to our freedom today. That feeling can weaken; it can even destroy our self-reliance, individual and national, by obscuring the necessity for individual and national effort, individual and national service, individual and national sacrifice. If that necessity is not accepted and met by the individual and by the nation, then we are not going to be able to solve our problems as a democracy, however good the programs we may put forward as a government.

I suggest, Mr. Speaker, that this effort, service and sacrifice must be directed to maintaining and strengthening moral values in our society as well as in seeking material progress. If that is not the case, then no government policies, however wise in themselves or however wisely administered, will save us. The challenge in a democracy is ultimately and always to the people, because it is they who have the power and the responsibility, including the choice of those to whom, in parliament and in government, they delegate so much of that power and responsibility.

Mr. Speaker, it would have been encouraging to have found in the speech from the throne some expression of these basic problems; some understanding of these new, deep-seated and massive problems that confront us individually, nationally and internationally. But there was nothing of that in this speech. There was nothing about the real state of the nation; nothing about the test that it now faces within its boundaries and within the world; nothing of the necessity of the right responses to the challenges that are ahead. Instead, Mr. Speaker, this speech gave all the indications of a last minute and scrambling search for anything that might be lying around anywhere to stuff the Christmas stocking. Stuffing the Christmas stocking is not good enough for 1962.

In short, Mr. Speaker, there is nothing in this speech or in the conduct of the government since June 18 that gives us any reason to hope or think that the dreary or confused record of the last five years would be improved if this minority government continued in office.

We have heard a good deal in recent weeks—a good deal more in recent days—

of the necessity of putting the national interest above the playing of politics. That talk does not come very convincingly, to me at least, from those whose concern to avoid an appeal to the people could preserve a state of political weakness and uncertainty such as we have in this parliament today.

I do not believe we will get progressive action and efficient administration, wise, forward-looking, sound policies from a weak and discredited minority government which in the throne speech has shown, as its record has proven, how little it could do to meet the real needs of the Canadian people, the real needs which it does not even understand.

The alternative, Mr. Speaker, is a government with a plan of action of the kind I have indicated and which will be filled in later by my colleagues; a plan which is based upon the principles I have mentioned.

Some people in this house have been building up hopes of a change of heart in the present government. The third and fourth parties seem to be looking for some justification for supporting this minority government, for voting for the ministers and the policies that a few months ago they were very strongly condemning—quite as strongly as we were. I feel that in this respect the throne speech has let them down badly. It is not little, but it is certainly limping and late.

It is going to be very difficult, surely, to find any evidence of real change in the dish of Tory leftovers that the throne speech provides; a change that will mean policies that will put the unemployed to work. This is a speech which includes so much of last year's budget speech of the present Minister of Justice (Mr. Fleming); which includes so much of the last election campaign pronouncements of the government, which were repudiated by the people on June 18; which has added two or three new boards and commissions, including a national economic committee on development. That is a proposal we put forward first in this house in 1958 and subsequently, and it was rejected by the government. It was torn to pieces by the minister of labour in one speech, when he argued that this kind of thing was no good.

Mr. Benidickson: Socialist.

Mr. Pearson: He said it was socialist. Of course, I admit that is new; it is new to the government, but not to us. We have been pleading for this for four years.

Also, in the throne speech there is a paragraph that represents one of the most amazing conversions in modern political history, which provides for the arrangements for the export of power from British Columbia to the United States. That, I admit also, is new. But apart from a few things like this

and a board or commission here or there, this speech is a rehash of last year's budget and the last election campaign statements. I do not know how anyone can get any hope of a change in the heart and mind of the government from that kind of speech from the throne.

Early this year the government produced another throne speech. Hon. members ought to read it. They will find a lot of this one in it. In those days, Mr. Speaker, this government had a very massive majority in this house, but they got very little done before they dissolved parliament.

An hon. Member: You were the reason.

Mr. Pearson: The reason they gave for not getting very much done was that they had been obstructed by a minority.

Mr. Chevrier: Forty nine people.

Mr. Pearson: They had 204 and I think we had 49 or 50; but we prevented them doing the things they meant to do. Now they have 116 and the combined opposition is 140 or 150; but they feel sure they can do the things now that they could not do with that great majority. They say, "It is easy now we are in a minority". Obstruction will not matter now. It does not matter that they can be outvoted. They did not do very much to implement the last throne speech, and I do not think we can have very much confidence in the present one.

The third and fourth parties said: we must wait and see; we must wait and see what the government has to propose in the speech from the throne. It may be, they said, it will have some promise of action in it such as would entitle us to declare confidence in this government. Well, they have waited and they have seen, and they have seen what I believed they would see and what I suspect they knew themselves they would see. They have seen a government which is incapable of important new initiative—a government incapable of undertaking new projects; a government pressed by so many conflicting interests that it takes refuge in indecision. Oh, it will do a bit more of some things and a bit less of others, set up councils and repeat the same old stuff. But what is there in this program, in the speech from the throne, which answers the criticisms made by all the opposition parties of this government, criticisms which were on June 18 supported by 63 per cent of the electorate? This program, I repeat, is made up of Tory leftovers from the last parliament.

If you had no confidence in the government in the last parliament, how can you have any confidence in this government now? Is this a parliamentary situation to make you change your minds? Is this a program to make you change your minds? I do not envy any member of the opposition who has to go to the country to explain why he has now decided that this government which he so recently criticized so strongly has suddenly become a government which should be kept in office. Surely, no one who understands our national problems could vote confidence in this government. The financial editor of the Montreal *Gazette*, an unimpeachable authority, wrote on August 29—this was after the election:

> The government's credits of domestic and international good will are alike just exhausted. It will have to be very convincing in both the scope of its programs and in its determination to see them through to retain its mandate.

I suggest that this government has been convincing in neither the scope of its programs nor in its determination to see anything through, and I hope I have given enough evidence to show why we on this side have no confidence in this administration and why we feel it is not only our duty but our privilege to move a vote of no confidence so that this house may decide whether it wishes the government to carry on or whether it wishes the people to be given a chance to put into office a government which will know how to carry on.

Accordingly, Mr. Speaker, I move, seconded by the hon. member for Laurier (Mr. Chevrier) that the following be added to the address:

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

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, naturally at ten minutes to ten it will be difficult to answer the many issues that were covered in that wide ranging speech. Indeed, there were times during the progress of it when I felt that the Leader of the Opposition (Mr. Pearson) was in the position of Wellington at Waterloo: "Give me night, give me Blucher". As he watched the clock one could only conclude that his purpose, as was the case this afternoon—

Some hon. Members: Order.

Mr. Diefenbaker: —was to make sure that there would be no opportunity for any answer to be given. And out of that volume of words and that wide range of discussion it is of interest to note that the only reference he made to agriculture was a number of passing allusions to the Minister of Agriculture (Mr. Hamilton) in a derogatory way. I saw the Leader of the Opposition on election night, Mr. Speaker, when he believed he was going to be occupying this seat. That is before the

western farmer came in. I can well understand his reason for not mentioning agriculture at any time. That is the best evidence that could possibly be given of the fact that under this government the farmers of Canada have at long last received reasonable consideration. I am sure everybody waited in anticipation for the revelation of a program. I have not the time to deal with the various items tonight, but I must say as I read this program that I wonder what he means when he says that there should be a government in office that knows how to carry on.

And what plans did he offer? These are the projects that are to be made by the opposition, the major points. Construction: a national plan to help municipalities undertake a massive increase in useful projects. That, surprisingly enough for him, has been in effect under the winter works program during the last few years. New industry: a series of measures industry by industry to develop new production in Canada. There is not a word as to how. Many of the measures which will come before parliament, those already revealed in the speech from the throne and those which will come later in their proper order in the budget, will be a continuation in regard to such development. In particular, he mentions the manufacture of automobile parts to ensure a thoroughly Canadian automobile industry. I think that there was the voice of Esau. What did the hon. member for Essex East (Mr. Martin) do—

Mr. Martin (Essex East): Defeated the Tory party, that is what he did.

Mr. Diefenbaker: —when he was a minister to achieve this on behalf of the automobile industry? Then there was a major program to help Canadians take full advantage of educational opportunities. In that connection I shall quote the government of the province of Quebec to the effect that such a plan has been in existence in that province which has provided 3,000 jobs. Skills: the only thing in the whole plan to meet the present situation is an increase of family allowances from 16 to 21. Health: how he touched upon this. He has had the experience of Saskatchewan. As a matter of fact, that policy as enunciated today by him in this house represents the antithesis of the stand taken by the Liberal party in the province of Saskatchewan. I point this out, Mr. Speaker, in the best of good spirits: the promise that in 1919, if they ever got back here, they were going to bring that in.

I have read in advance in the press that a broadside would be launched by the Leader of the Opposition (Mr. Pearson). Do you know what it reminded me of? It reminded me of the boy with a number of firecrackers who joined each one together in a number of packages because they took longer to explode and did not do very much harm. I am going to deal, when the opportunity comes, with some of the statements made by him outside of parliament. There was far greater exhibition of vituperation and virulent abuse outside the house than here in parliament, and I will deal with them at length. With the exception of one or two of those matters, his speech seemed to me to be a warmed over election speech, generated in large measure by frustration. This speech reveals the annoyance which must come to those who have almost had the cup in hand, yet find it dashed to the wayside.

I expected a different speech. But I did find one thing. I did find the tremendous interest which he now takes in third parties. He keeps referring to us as a minority government. I think of the references he made to the hon. member for Villeneuve (Mr. Caouette) only three or four weeks ago. Possibly he will recall those things. He speaks of us as being a minority, because he says that 63 per cent of the people voted other than for us. For whom did the others vote who did not vote for the Liberal party? Is there a paradox in existence, that if you vote for a third party you are voting against the government but for his opposition?

He talks about minority governments. Here is the record. He says that having 37 per cent of the population for us denies us the right to be the government. Here is the record year by year. In 1921 the Liberal party had 41.5 per cent of the vote. It ruled in this country—and that is the proper expression in the case of that government—for a period of four years. Then he spoke of how Mr. King came before parliament in 1925. He had 40.1 per cent of the vote, and the Conservatives had 46.5 per cent. He said that it was a wonderful thing that they had a fewer number of members in the house than did the Conservative party, by some 11 or 12. And they hung on.

Mr. Speaker: Order. It being ten o'clock I do now leave the chair.

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

HOUSE OF COMMONS

Tuesday, October 2, 1962

The house met at 11 a.m.

(Translation):

HOUSE OF COMMONS

PRESENCE IN GALLERY OF FRENCH PARLIAMENTARY DELEGATION

Mr. Speaker: Order. Before formally opening this morning's sitting I would ask the house leave to mention the presence in the Speaker's gallery of a delegation of four members of the national assembly of the French Republic.

This delegation, headed by Mr. Bosson, includes Mr. Thorailler, Mr. Douzans and Mr. Collet, secretary of the delegation.

These honourable gentlemen are on a tour of Canada. They have visited industrial plants in Quebec and Ontario. They have visited some of our universities in Quebec. They are also to tour Ottawa.

In addition, being parliamentarians, they are most interested in the proceedings of our own House of Commons. Therefore, I do not think I would be indiscreet if I revealed that I think I noticed them as spectators in various parts of the galleries yesterday.

I am sure I express the general feeling of this assembly in extending to them a most sincere welcome, the more so since the weather in Ottawa is so wonderful at this time of the year. Once again, I wish them a most happy stay in Canada.

(Text):

I would crave the indulgence of the house to draw to the attention of hon. members the presence in the Speaker's gallery of a delegation of four members of the French national assembly. They are members of the foreign affairs commission and have come over on the initiative of the French government to look at Canada, to look at some of our industrial and commercial installations, in fact to look into Canada and, in particular, of course, as parliamentarians they are interested in what goes on in our House of Commons.

I am sure that I speak for all hon. members in wishing them well and extending to them a very cordial welcome.

Some hon. Members: Hear, hear.

TRADE

GATT—ANNOUNCEMENT OF LONG TERM COTTON TEXTILES ARRANGEMENT

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, I am happy to inform the house that the secretariat of the general agreement on trade and tariffs announced yesterday that a new long term arrangement on cotton textiles has come into force. Besides Canada, countries that have so far agreed to participate are the United States and the United Kingdom, on behalf of Hong Kong as well as itself; the six members of the European economic community; Japan, India, Pakistan, Portugal, Israel and the United Arab Republic. Several other countries are expected to agree to join in the near future.

The long term arrangement, which has five years to run, replaces the short term arrangement under GATT that expired September 30. There are two chief aims: to expand export opportunities for less developed countries that are engaged to a large extent in cotton textile production; to prevent disruptions in the domestic markets of importing countries.

Canada's position as both an important producer and importer of cotton textiles is a special one. This position is recognized in the arrangement. As a result, Canada is not committed to increase its imports of cotton textiles from low cost countries over the next five years. This does not mean that there will be no increases. In a letter to the executive secretary of GATT dated August 25, the Secretary of State for External Affairs (Mr. Green) said:

> It is the intention of the government to continue to pursue a policy which, while avoiding disruption of the Canadian market for sensitive textile items, would permit an orderly expansion of the trade in cotton textiles on fair and reasonable terms when warranted by market conditions in Canada.

AGRICULTURE

EGGS—ANNOUNCEMENT OF PRICE SUPPORT PROGRAM

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I wish to announce that the agricultural stabilization board has been authorized to support the price of eggs by a deficiency payment program for the twelve month period from October 1, 1962 to September 30, 1963 at a national average

Price Support for Eggs

price of 34 cents per dozen to producers for grade A large size eggs. The support price is the same as last year's and is approximately 90.7 per cent of the ten year average.

Payments on claims by any one producer during the support year will be limited to 4,000 dozen grade A extra large size, grade A large size, and grade A medium size eggs. Producers must be registered with the board and have marketed their eggs through registered grading stations, or have sold their eggs to retail outlets as producer-graders to be eligible to claim for any deficiency payment which may be made.

Final returns are not yet available for the 1961-62 support year, but it is estimated that the national weighted average market price for the full twelve months will be approximately 33 cents per dozen, or 1 cent less than the support price. I expect to be able to announce the exact amount of the deficiency payment to producers very shortly.

Mr. Speaker, I would ask new members of the house to familiarize themselves with the stabilization act so that the producers of eggs in their areas may be made aware of this support price for the coming year.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, this is another one of those routine announcements that in actual practice may not mean very much. There have been very few instances when a deficiency payment has been made on eggs, even though the price of eggs in many parts of Canada has been below the stated support price and has been most unsatisfactory.

There are two things that need to be done in order to make this policy effective. The first is to declare that deficiency payments will be made on a quarterly basis so that the accounting will be done every three months. Second, they should be made on a regional basis in order that the producers across this country might have some real support, which is not provided in the announcement which has just been made.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, it is very difficult to hear clearly at this end of the house; in fact we are most uncomfortable on occasions. Nevertheless I am always interested in hearing the Minister of Agriculture make a routine announcement sound like a blessing from the government in power.

I can speak from experience when I say that poultry producers in the southeastern portion of British Columbia, the only ones with whose situation I am familiar, have been very concerned about falling prices in recent months. I hope this announcement will mean some improvement in their situation, but I am sure it does not meet the needs of those who are looking to the government for stronger action than this.

[Mr. Hamilton.]

INTERPRETATION ACT

REVISION AND CONSOLIDATION, WITH CONSEQUENTIAL AMENDMENTS

Hon. Donald M. Fleming (Minister of Justice) moved for leave to introduce Bill No. C-48, to revise and consolidate the Interpretation Act and amendments thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act.

Mr. Chevrier: Explain.

Mr. Fleming (Eglinton): The purpose of this bill, which is lengthy, is to revise and consolidate the Interpretation Act. It will be the first general revision and consolidation of this act to be undertaken since confederation.

Motion agreed to and bill read the first time.

COMBINES INVESTIGATION ACT AND CRIMINAL CODE

EXTENSION OF MORATORIUM RESPECTING B.C. FISHING INDUSTRY

Hon. Donald M. Fleming (Minister of Justice) moved for leave to introduce Bill No. C-49, to amend an act to amend the Combines Investigation Act and the Criminal Code.

Mr. McIlraith: Explain.

Mr. Fleming (Eglinton): The purpose of this short bill is to extend for another year a measure which has been introduced in previous sessions respecting fishing agreements.

Motion agreed to and bill read the first time.

JUDGES ACT

AMENDMENTS PROVIDING ADDITIONAL JUDGES IN NOVA SCOTIA AND BRITISH COLUMBIA

Hon. Donald M. Fleming (Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Judges Act to provide for salaries for two additional judges of the supreme court of Nova Scotia, including one chief justice, and for one additional judge of the court of appeal for British Columbia.

Motion agreed to.

ADMIRALTY ACT

AMENDMENT TO PERMIT PAYMENTS TO JUDGE AND REGISTRAR

Hon. Donald M. Fleming (Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to amend the Admiralty Act to permit the governor in council to authorize the payment of a salary not exceeding four hundred dollars per annum to a surrogate judge and not exceeding three hundred dollars per annum to a registrar.

Motion agreed to.

FINANCE

AUSTERITY PROGRAM—REPORTED STATEMENT BY MINISTER OF JUSTICE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister how he can reconcile the statement made yesterday by the Minister of Justice in Toronto that "Canadians should not expect an early end of the emergency austerity measures adopted on June 24" with the earlier announcement that the austerity program was only of a very temporary character.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not seen the words in question; therefore there is no reconciliation involved.

[*Later:*]

Hon. Donald M. Fleming (Minister of Justice): Mr. Speaker, I think I should, on a question of privilege, make reference to the question asked earlier today by the Leader of the Opposition based on a remark attributed to me in a speech in Toronto yesterday. The expressions he used in his alleged reference, Mr. Speaker, do not bear any resemblance to the language that I used in this speech yesterday. In that speech I did use this sentence—

Some hon. Members: Order.

Mr. Speaker: Would the minister indicate his point of privilege so that I can judge whether privilege is involved at this time.

Mr. Fleming (Eglinton): It is because the Leader of the Opposition, Mr. Speaker, purported to base a question to the Prime Minister on a statement attributed to me in a speech in Toronto yesterday.

Mr. Martin (Essex East): As reported in the *Globe and Mail.*

Mr. Fleming (Eglinton): As reported—

Mr. Martin (Essex East): In the *Globe and Mail,* your favourite newspaper.

Mr. Fleming (Eglinton): The Leader of the Opposition did not specify what he was quoting from or where the report was contained. The point of privilege is that the report as he has given it to the house includes terms that I have not used. They do not bear any resemblance to what I said yesterday.

Mr. Chevrier: Another misquotation.

Mr. Fleming (Eglinton): My speech is a matter of record—

Mr. Pickersgill: On a point of order—

Mr. Speaker: Order.

Mr. Pickersgill: I am rising on a point of order—

Mr. Speaker: Order. There is one speaker at the moment. If the minister is making a correction to words attributed to him, it is my view that he can do so succinctly and simply, and to the point—and this is purely hypothetical—for instance by pointing out that words attributed to him were not said by him. We must then accept what the minister says. Beyond that I think we should not go, because we should not get ourselves into an interminable wrangle on fine points in this regard.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I respectfully rise on the point of order raised by Your Honour as to whether there was a question of privilege. This point should be settled before the minister is allowed to proceed.

It is a well known rule of this house that a question of privilege must be raised immediately the point arises and not after the minister has had an hour for reflection. I suggest that the same rule should be applied to the minister as I trust Your Honour intends to apply from now on to all hon. members. A question of privilege is either taken up immediately or not at all.

Mr. Speaker: It seems to me that in the circumstances the point is well taken. The minister has indicated the general nature of his position, and I think we will leave the point at that.

Mr. Pearson: Mr. Speaker, in view of what the minister has said—

Mr. Speaker: I think I have indicated quite clearly what my ruling would be on this question. I heard the point of order raised by the hon. member for Bonavista-Twillingate. The minister had indicated that he did not agree with the words attributed to him. I do not believe it would lead to any clarification,

or improve the business of this house, if we were to begin a miniature debate now on the orders of the day.

Hon. Paul Martin (Essex East): May I ask the Minister of Finance a question? Has he seen the report of his speech in the Montreal *Gazette* and does he say it is an inaccurate report, especially as contained in the first paragraph?

Hon. George C. Nowlan (Minister of Finance): I have not seen it.

Mr. Speaker: The question seemed to be directed to the wrong minister but I think it would be to the same end, the danger of which I have pointed out. It would merely encourage a debate on orders of the day. We are now in a full-fledged debate. If there are matters to which the hon. member wishes to advert, no doubt he will be addressing the house in the near future and I think that would be the time.

Mr. Martin (Essex East): My question should have been addressed to the Minister of Justice and I suggest, with great respect, if Your Honour would listen to me—

Mr. Speaker: I think we will draw this matter to a conclusion.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Prime Minister in order to clear up some confusion which exists among members as a result of some exchanges across the floor yesterday. If we want to ask questions about finance with respect to the former parliament, do we now ask the Minister of Finance the questions or the Minister of Justice?

NATIONAL DEFENCE

REFERENCE TO ARTICLES IN TORONTO "GLOBE AND MAIL"

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has the minister authorized the articles on defence by the chief of the staff secretariat, Department of National Defence, now appearing in the Toronto *Globe and Mail*?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I think the articles referred to are by a Dr. Sutherland, who is actually an employee of the defence research board and was incorrectly reported as being the chief of the secretariat of the chiefs of staff committee. I believe it was something along that line.

These articles which are appearing in the *Globe and Mail* are summaries of a long article written by Dr. Sutherland for, I think, the foreign affairs society's quarterly, or something along that line.

Mr. Hellyer: A supplementary question. How does the minister justify the policy of having departmental employees write articles of this nature when he does not give the department authority to prepare a white paper for consideration by the people's elected representatives?

Mr. Speaker: Order. Again I draw to the attention of the hon. member for Trinity the true nature of supplementary questions.

NUCLEAR WEAPONS—INQUIRY AS TO DISCUSSIONS WITH UNITED STATES

On the orders of the day:

Mr. F. A. Brewin (Greenwood): May I address a question to the Prime Minister. Does the answer which he gave to a question on March 5 last, that there was then no intention of entering into discussions, referred to by the United States secretary of state, for the joint control of nuclear weapons for Canadian armed forces still stand, or have there been any such discussions to date?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think at the appropriate time the whole question regarding nuclear weapons, and the discussions concerned in connection therewith can be taken up. It is impossible to answer a question such as that on orders of the day.

BOMARC BASES—INQUIRY AS TO OPERATIONAL DATE

On the orders of the day:

Mr. C. M. Drury (St. Antoine-Westmount): I wish to direct a question to the Minister of National Defence. The government has recently announced completion of the construction of the Bomarc bases north of here. Would the minister say when these bases, on which construction is now completed, will become operational?

Hon. D. S. Harkness (Minister of National Defence): The base at La Macaza, as a matter of fact, will be taken over by the R.C.A.F. some time later this month. Some time after it has been taken over it will then be in the same state of operational readiness as the station at North Bay.

Mr. Drury: I have a supplementary question. The minister stated that the base at La Macaza will be in the same state of operational readiness as that at North Bay. Does "operational readiness," the term used by the minister, mean that these bases will be in a position to fight?

Mr. Harkness: I do not think this is the time to go into the various states of operational readiness.

(Translation):

ST. JEAN MILITARY COLLEGE—ENLARGEMENT OF COURSES

On the orders of the day:

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Speaker, I wish to put a question to the Associate Minister of National Defence. Can he tell us if, this year, the St. Jean Military College will give a full course to the cadet officers?

Mr. Speaker: Once again, may I ask the hon. members to show some co-operation and to have such questions put on the order paper?

Mr. Dupuis: Mr. Speaker, with all due respect, I submit that my question is an urgent one in view of the fact that the course given at the St. Jean Military College is scheduled to begin this month, and if I am not informed of the situation now, it will be too late tomorrow to seek information.

Mr. Pigeon: Why was such a course not set up when you were in office?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, there have been no changes made in the course given at St. Jean Military College. However, that course is under constant revision because we wish to give the cadets the best possible education.

Mr. Dupuis: A supplementary question, Mr. Speaker. Could the minister tell the house whether such a complete course will be set before the impending fall of this government?

Mr. Balcer: Twenty five years from now.

Mr. Speaker: I should like to draw the hon. member's attention to the remarks I made concerning relevant supplementary questions.

(Text):

TRADE

LUMBER—REPRESENTATIONS RESPECTING IMPORTS INTO U.S.

On the orders of the day:

Mr. Arthur Laing (Vancouver South): Mr. Speaker, my question is directed to the Minister of Trade and Commerce. I want to ask him whether he and his department are rendering any assistance to the forest industry of British Columbia in its representations before the United States tariff commission in respect of the import of Canadian lumber into the United States.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I wish to thank the hon. member for giving me notice of his intention to ask this question. Let me assure the members of the house that my department co-operates fully at all times with all sectors of Canadian industry whose interests may be affected by hearings undertaken by the United States tariff commission.

As you will be aware, the hearings on lumber open today in Washington. Specifically they are with respect to the effect of softwood lumber imports into the United States on the United States domestic softwood lumber industry. These hearings provide an opportunity for private Canadian industry to make their views and interests known to the United States administration. We have in this connection been in close contact with and extended all the facilities of my department both in Ottawa and in Washington to assist the British Columbia forest industries in the preparation of their submission. Permit me to say, Mr. Speaker, that I am much impressed by the case of the British Columbia forest industries and the manner in which they have gone about preparing it.

Finally, I think the house will be interested to learn that this government has left the United States government in no doubt as to the importance we attach to the maintenance of Canadian softwood lumber exports to the United States, which are currently running at the rate of approximately $250 million a year.

RUSSIA-CANADA—INQUIRY AS TO RENEWAL OF TREATY

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I wish to direct a question to the Minister of Trade and Commerce. Having regard to the dispatch of Mr. Robert Moon of the Regina *Leader Post*, who has spent three weeks in Russia, and the reports that in Russia they are considering a renewal of the Canada-Soviet trade treaty, what information can the minister give the house?

Hon. George H. Hees (Minister of Trade and Commerce): I have not seen the report to which the hon. member refers. I would like to examine it, and I shall give an answer tomorrow.

Inquiries of the Ministry

CEMENT—IMPORT OF CARGO FROM CUBA

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I wish to direct a question to the Minister of National Revenue. As today's Montreal *Gazette* has reported that a cargo of cement, imported from Cuba, is now tied up in the port of Montreal waiting for a clearance, could the minister advise the house whether this importation has been authorized due to a shortage of cement in this country?

Hon. H. J. Flemming (Minister of National Revenue): Mr. Speaker, I would have to take the question as notice.

WHEAT—ANNOUNCEMENT OF FURTHER SALE TO POLAND

On the orders of the day:

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, may I have the permission of the house to revert to motions?

Mr. Speaker: The hon. minister has asked for unanimous consent to revert to motions. Does the house agree?

Some hon. Members: Agreed.

Mr. Hamilton: I express my thanks to the house, because this helps me out in a business way.

I am pleased to announce the conclusion of a further contract between the Canadian wheat board and the Polish foreign trade company, Rolimpex, covering the sale of 80,000 tons or 2.9 million bushels of wheat for delivery from St. Lawrence or lakehead ports before the close of navigation. This is in addition to the recent sales contract with Poland for 300,000 tons of wheat—11 million bushels—which I announced on August 30, and it forms a part of the optional arrangement made at that time for the purchase and sale of a further 200,000 tons of wheat.

The new sale was facilitated by the credit insurance facilities arranged last month by the Canadian government, providing for terms of 10 per cent cash and one third of the balance after 24, 30 and 36 months respectively.

Mr. Hazen Argue (Assiniboia): Any success which may attend the efforts of the Canadian wheat board and/or the government to increase the sale of wheat is very much in order at this time in view of the bumper crop. However, along with the announcement the minister has made this morning I would hope he intends to go forward on the lines of the statement he made some weeks ago, when he said he intended to visit Poland, Czechoslovakia and Yugoslavia with the object of increasing sales of Canadian wheat in those countries to a much greater extent, and also over a much longer period of time.

(Translation):

DOMINION-PROVINCIAL RELATIONS

REQUEST FOR DEFINITION OF ONTARIO—QUEBEC BOUNDARY

On the orders of the day:

Hon. Paul Martineau (Minister of Mines and Technical Surveys): I should like to give an answer to the question asked yesterday by the hon. member for Stormont.

A definition of the Ontario-Quebec boundary on lake St. Francis can be found in the statutes and, as every one knows, that demarcation comes entirely under the jurisdiction of the provinces concerned.

I understand that negotiations have been going on for some time between the two provinces concerned and that no definite agreement has been reached as yet, although both parties have expressed their wish to settle the matter as soon as possible.

My predecessor, the Hon. Paul Comtois, contacted both parties on several occasions, offering them the services of the department I am now heading to define that boundary as soon as an agreement is reached.

I can assure my hon. friend that my department continues to offer its co-operation in that respect.

[*Later:*]

Mr. Bernard Dumont (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Mines and Technical Surveys.

At what university did the minister learn the good plain French in which he answered the questions addressed to him in English by the member for Stormont even though the latter represents a constituency where 68 per cent of the people are French-speaking?

Some hon. Members: Order, Order.

Mr. Speaker: Order.

Mr. Dupuis: That is the mark of a small mind.

Mr. Speaker: I must point out to the hon. member that comments on the manner and the language in which replies are given are not allowed in this house.

(Text):

CANADIAN CENTENNIAL

INQUIRY AS TO APPOINTMENT OF COMMISSION

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I believe my question should be directed to the Prime Minister, and it is this. Can the government at this time indicate when a Canadian centennial commission and commissioner will be established so as to provide the leadership required in the organization of our national celebration?

Mr. Speaker: Order. I would draw to the attention of the hon. member the consideration whether the question he wishes to ask is urgent in that is it necessary to have the information immediately. There will be opportunity to get it at a later date and, as a matter of fact, I suggest that the hon. member place his question on the order paper.

Mr. Frank Howard (Skeena): Mr. Speaker, I also have a question for the Prime Minister. It deals with the matter of our centenary activities. I wonder whether the attention of the Prime Minister has been drawn to an article in this morning's *Globe and Mail* reiterating statements by a Mr. Robbins L. Elliott, chairman of the program research committee of the Canadian centenary council, to the effect that it is not possible to proceed with its plans until the necessary machinery has been established by government, and making the accusation that the federal government is lagging on its plans for our celebration. If so, would the Prime Minister care to comment on that matter?

Mr. Speaker: I suggest to the hon. member that the observation I made with regard to the previous question on this general subject would apply also to this question.

Mr. Howard: That I put the question on the order paper?

An hon. Member: That is right.

EXTERNAL AFFAIRS

CUBA—WITHDRAWAL OF CANADIAN COMMERCIAL COUNSELLOR

On the orders of the day:

Hon. Paul Martin (Essex East): I wish to ask a question of the Secretary of State for External Affairs. Are we to conclude that the withdrawal of the Canadian commercial counsellor in Cuba means a change at least in some aspects of our relationships with Cuba? In that event, would this situation be due to representations made by the United States to Canada and her NATO partners?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, there has been no change in the government's policy toward Cuba. In recent months there has been a great falling off in the amount of goods purchased from Canada by Cuba presumably because of the difficulty in obtaining foreign exchange. It was felt that there is no longer any necessity to have this particular official stationed in Havana.

AIRPORTS

LAKEHEAD—INQUIRY AS TO PROPOSED EXPANSION

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of Transport. I am sorry that I did not furnish him with notice. Can the minister indicate to the house whether a start on the proposed expansion of the lakehead airport will be made this fall?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I shall be obliged to check with the department.

(Translation):

UNEMPLOYMENT INSURANCE

REQUEST FOR INCREASE IN PERMISSIBLE EARNINGS

On the orders of the day:

Mr. L. P. Antoine Belanger (Charlevoix): Mr. Speaker, I should like to direct a question to the Minister of Labour. Could he tell us if the government is considering improving the Unemployment Insurance Act in such a way as to increase the income which those who are entitled to the benefits may earn?

(Text):

Hon. Michael Starr (Minister of Labour): Not at the present time, Mr. Speaker. We are awaiting the report of the Gill commission. When that report is in the hands of the government careful study will have to be given to it.

Hon. Paul Martin (Essex East): May I ask a supplementary question. Can the Minister of Labour tell us if it is not a fact that the chairman has indicated he hopes to have a report in time to permit the government to give consideration to this matter before Christmas?

Mr. Starr: I think I answered a question directed to me a few days ago about when we expect to receive a report.

NORTHERN AFFAIRS

NEWFOUNDLAND-LABRADOR—EDUCATION OF INDIANS AND ESKIMOS

On the orders of the day:

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. Has the government any plans to give the same measure of financial support to the education and welfare of the Indians and Eskimos of Newfoundland-Labrador that is given in other parts of Canada?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): In view of the fact that this question involves the Department of Citizenship and Immigration as well as my department, I think the hon. member would get a more helpful answer if he were to place the question on the order paper.

Inquiries of the Ministry

BUSINESS OF THE HOUSE

INQUIRY AS TO CONSIDERATION OF REPORT OF CANADIAN NATIONAL RAILWAYS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask a question of the Minister of Transport. Is it the intention of the minister to allow the house to examine the annual report of the Canadian National Railways before the house proceeds with motion No. 8 on the order paper under government business, which introduces a resolution relating to Canadian National Railways and its financing?

Mr. Speaker: In view of the fact that the order of business has been announced for the next eight days and this particular motion cannot come before the house before the expiry of that time, I do not think there is any urgency with regard to the information sought by the hon. member.

Mr. Fisher: There are a number of organizations including pensioners of Canadian National Railways, who wish to know well ahead of time if the annual report is up for review because, like last year, they want to have witnesses at the hearing. For that reason I should like to pin down, if possible, some kind of date for the appearance of the president of Canadian National Railways in Ottawa.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, it is our intention to have a committee on the Canadian National and Trans-Canada Air Lines sit at this session. So far as the date of the sitting is concerned, it is too early for me to tell. In so far as the motion is concerned, the date upon which we will proceed with that will be announced by the house leader at the proper time.

(Translation):

FINANCE

ISSUE OF BILINGUAL CHEQUES TO MEMBERS OF PARLIAMENT

On the orders of the day:

Mr. Gerald Laniel (Beauharnois-Salaberry): Mr. Speaker, I should like to direct a question to the Minister of Finance. Could he explain his department's delay in issuing bilingual cheques to members of this house?

(Text):

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, I will take this question under consideration and give an answer in due course.

HEALTH AND WELFARE

POLIOMYELITIS—CONTINUATION OF USE OF SALK VACCINE

On the orders of the day:

Mr. Stanley Haidasz (Parkdale): I should like to ask the Minister of National Health and Welfare whether, in view of the disappointment and confusion caused by the minister's directive to postpone the free mass immunization against poliomyelitis with oral Sabin vaccine, he has any intention of giving a directive for the continuation of the free mass immunization against poliomyelitis with Salk vaccine at the earliest possible moment?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I think it is quite misleading to suggest that the Canadian people lack the utmost protection against polio that we can provide. As I indicated when the Sabin vaccine program was temporarily deferred last month, the incidence of this disease is extremely low at the moment. My advisory committee in this field recommended that the Salk vaccine program continue, and felt that Sabin vaccine could well be used if the need arose through any local outbreaks of polio. This approach was felt by the committee to be the soundest one to follow under present circumstances.

REPORTED APPROVAL OF UNSAFE LIFE JACKETS

On the orders of the day:

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to address a question to the Minister of Transport. Has the minister been informed of the coroner's jury's statement of last month in Toronto, that the federal Department of Transport approves life jackets which are not safe?

Some hon. Members: Order.

Mr. Speaker: Order. I think the hon. member knows that his question is not of the type asked on orders of the day.

VANCOUVER—SUSPECTED CASE OF SMALLPOX

On the orders of the day:

Mr. Jack Davis (Coast-Capilano): Mr. Speaker, I wish to address a question to the Minister of National Health and Welfare. I apologize for not having communicated this question to him; however, I have just received this information from the west coast.

In view of the fact that a Colombo plan student has just arrived in Vancouver to attend university and is now a suspected carrier of smallpox, what measures will the department take in order to trace the other pasengers aboard the Canadian Pacific Airlines airplane in this case in order to protect the rest of the Canadian community from the spread of this dreaded disease?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, a Colombo plan student at the University of British Columbia, aged 26 years, reported to the dermatological clinic in Shaughnessy hospital, Vancouver, yesterday morning, October 1,

and was diagnosed as a suspected case of smallpox. He had come to Canada from Bangkok by way of Hong Kong and Tokyo on a Canadian Pacific Airlines flight which arrived in Vancouver on September 21, 1962. While language difficulties have presented a considerable barrier, it is understood that he has not felt ill but complained only of a few skin lesions for which he sought treatment. Specimens from the patient are now on their way to the laboratory of hygiene here in Ottawa, where it will take several days to obtain a result. The patient is presently isolated and under treatment.

Reports indicate that he possessed a valid certificate of revaccination dated in Bangkok August 26, 1962. Also there was evidence of previous primary vaccination reported to have been carried out during childhood. Modified smallpox must, however, be considered as a possibility.

Over 700 students at the University of British Columbia have already been vaccinated and efforts are being made to trace passengers who arrived on the same flight. All passengers and crew members are reported to have had valid certificates of vaccination, but a recheck will be made in all cases which can be traced. Passengers are reported to have been destined to widespread areas of Canada and the United States.

Mr. Davis: Mr. Speaker, a supplementary question—

Mr. Martin (Essex East): Mr. Speaker, could I ask a supplementary question?

Mr. Fleming (Eglinton): How about letting the hon. member ask the question?

Mr. Davis: A supplementary question, Mr. Speaker. I am informed, perhaps wrongly, that it is possible to purchase vaccination certificates for as little as $1.50 from air line crews and United States troops in the Orient. Is this true?

Mr. Speaker: That is hardly a supplementary question. If the hon. member for Essex East has a supplementary question I will give him the floor.

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Secretary of State for External Affairs a somewhat supplementary question?

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): What steps is the minister's department taking to protect Canadian women who have been sent to Ceylon under the Colombo plan?

Some hon. Members: Oh, oh.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, naturally I was very disturbed to read these reports. Our high commissioner in Ceylon will do everything he can to help these young ladies.

ROYAL COMMISSION—INQUIRY AS TO REPORT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister when the government expects to receive the report of the commission on medical health services appointed about two years ago.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not had a recent report on that matter. I will secure the information for the hon. gentleman.

PUBLIC SERVICE

INQUIRY AS TO PAY REVIEW FOR CERTAIN CLASSES

On the orders of the day:

Mr. Lucien Lamoureux (Stormont): I should like to direct a question to the Minister of Finance. In view of the fact that the cyclical pay reviews for civil servants approved earlier this year by the then minister of finance provided for consideration on October 1, 1962, of the customs, immigration and postal classes, will the minister inform the house whether the proposed review will now be undertaken in spite of the austerity program?

Hon. George C. Nowlan (Minister of Finance): Yes, Mr. Speaker.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of Finance. It is supplementary to the question asked by the hon. member for Stormont—

Mr. Byrne: And the member for Kootenay East.

Mr. Knowles: —and I hope the hon. member for Kootenay East will not spoil my chances of getting an answer. Will there be an early statement by the government on its conversations or correspondence with the civil service organizations regarding the whole question of the pay increases that were deferred in June?

Mr. Nowlan: As the hon. member knows, there have been some conversations carried on between representatives of the various civil service organizations and a committee of my colleagues chaired by myself. I had further discussions with the civil service representatives the other morning but some

of them had to depart because of annual meetings they had to attend. We shall be conducting further talks when they return.

(Translation):

TRANSPORT

QUEBEC CITY—ELIMINATION OF LEVEL CROSSINGS

On the orders of the day:

Mr. Robert Beaule (Quebec East): Mr. Speaker, I wish to direct a question to the Minister of Transport. Can the minister tell us if negotiations have been entered upon in regard to the elimination of railway crossings in Quebec city, particularly those of the C.P.R.?

Mr. Speaker: I regret to intervene again, but I hope the hon. member did understand the remarks I addressed to him the other day in regard to questions of this nature. His question is certainly one that should be put on the order paper.

(Text):

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM, B.C.—STEPS TO MAINTAIN LAW AND ORDER

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I desire to ask a question of the Minister of Justice. In view of press reports that 1,200 Sons of Freedom are again on the move in British Columbia and are now within 35 miles of the Agassiz prison, are any special federal actions being taken for the maintenance of law and order and the protection of law abiding citizens against the dangers of arson and dynamiting by this irresponsible group?

Hon. Donald M. Fleming (Minister of Justice): The maintenance of law and order in this situation is the responsibility of the provincial authorities. I have no reason to think that they will not carry out their duty in this regard.

COAL

NOVA SCOTIA—REQUEST FOR STATEMENT OF POLICY

On the orders of the day:

Mr. A. J. MacEachen (Inverness-Richmond): I wish to direct a question to the Minister of Mines and Technical Surveys, and at the same time may I wish him success in a portfolio which is so important to the coal miners in Nova Scotia. Will the minister advise the house whether he intends at an early date to make a statement of general policy relating to the Nova Scotia coal industry, a statement which his immediate predecessor promised before the dissolution of parliament last April?

Hon. Paul Martineau (Minister of Mines and Technical Surveys): I thank the hon. member for his good wishes, and wish to inform him that a statement of policy will be made in due course, in conformity with the usual practice in this house.

HIGHWAYS

TRANS-CANADA HIGHWAY—ALTERNATE ROUTES

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I wish to direct a question to the Minister of Public Works. Does the government intend to designate some present highways as alternates to the trans-Canada highway?

Mr. Speaker: The hon. member should know that this is not the type of question we ask on orders of the day.

PUBLICATIONS

FORT WILLIAM—SALE OF NEWSPAPER TO THOMSON ORGANIZATION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I would like to ask the Minister of Justice whether any government action is under consideration to determine if the very recent purchase by the Thomson newspaper organization of the Fort William *Times Journal* is contrary to the provisions of the Combines Investigation Act?

Hon. Donald M. Fleming (Minister of Justice): The director of research investigation under the act informs me that he is aware of this matter and is looking into it.

AIR TRANSPORT

CRASH OF U.S. PLANE—POSSIBLE FAULTY FUEL

On the orders of the day:

Hon. Paul Hellyer (Trinity): I wish to direct a question to the Minister of Transport. Has the minister seen the report from Antwerp to the effect that one possible cause of the tragic ditching of the United States air liner

in mid-Atlantic last week might have been faulty gasoline? If so, is an investigation under way to determine whether or not any part of the trouble is attributable to fuel supplied in Canada?

Hon. Leon Balcer (Minister of Transport): The accident in question is at present being investigated by the civil aeronautics board of the United States of America, with the full co-operation of the Department of Transport regional staff at Moncton and Gander. Fuel samples have been taken for analysis as a part of the current investigation, but no results of the analysis are yet known. So far as the report from Antwerp is concerned, it has not been seen by myself or anybody in my department.

(Translation):

LABOUR CONDITIONS

CANADAIR—REQUEST FOR INCREASED PRODUCTION TO OFFSET LAY-OFFS

On the orders of the day:

Mr. Guy Rouleau (Dollard): Mr. Speaker, I should like to put a question to the Minister of Defence Production.

In view of the seriousness and urgency of the situation caused by mass lay-offs at Canadair, would the minister consider taking the necessary steps without delay so that Canadair production of CL-44s or of any other aircraft required by the air force may be stepped up.

Hon. Raymond O'Hurley (Minister of Defence Production): I am very much interested in increasing the CL-44 production and I can assure you that it will be done as soon as we find a market for this aircraft.

Mr. Rouleau: Mr. Speaker, I should like to direct a supplementary question to the Minister of Transport.

For the same reasons I gave the Minister of Defence Production, could the Minister of Transport get in touch with the management of Trans-Canada Air Lines in order that this company, which is spending our money, may buy its aircraft not from the United States or from England but in Canada, and more particularly from Canadair?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I am constantly in touch with the management of Trans-Canada Air Lines. You may rest assured that the government's representations to Trans-Canada Air Lines are to the effect that this company should proceed to the most thorough and detailed study of the situation in order to buy in Canada all aircraft parts or products it can find here.

As for the final decision as to the technical possibilities of one aircraft compared with another, such a decision must be taken by technicians. The reason why Trans-Canada Air Lines has purchased aircraft in the United States or in England was based entirely on technical requirements. That decision was taken by technicians, but the government has always urged Trans-Canada Air Lines to consider the possibility of purchasing Canadian products before making any decision.

QUEBEC ARSENALS—REPORTED LAY-OFFS

On the orders of the day:

Mr. Jean-Charles Cantin (Quebec South): Mr. Speaker, would the Minister of Defence Production inform the house of the reasons for dismissing many employees of the Quebec arsenal in the last few weeks, and tell us how long this policy of dismissal—

Mr. Speaker: Order. I trust that the hon. member will recognize that his question is entirely out of order, and should instead be placed on the order paper.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, on a point of order. The question put by the hon. member for Quebec South is identical in every respect to the one put to the Minister of Defence Production, because it concerns people who were dismissed just a few weeks ago. Under the circumstances it seems to me that the question is quite in order, and I would ask you to allow it, Mr. Speaker.

Mr. Speaker: Maybe I gave myself too much leeway in interpreting the first question. However I think it appropriate to put an end to such questions and I hope there will be no more needless delay and that those questions, from now on, will be put on the order paper.

(Text):

AGRICULTURE

BUTTER—INQUIRY AS TO SUBSIDIZATION POLICY

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Will the minister be good enough to inform the house whether the government is continuing subsidizing farmers in the production of butter.

Mr. Speaker: This question is definitely out of order at this time.

Inquiries of the Ministry

COMBINES

DRUGS—INQUIRY AS TO REPORT

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder whether I might direct a question to the Minister of Justice and ask him when we might have before us a report of the restrictive trade practices commission regarding the activities of certain pharmaceutical houses.

Hon. Donald M. Fleming (Minister of Justice): Mr. Speaker, if the hon. member will amplify to me the reference he has made, I will be glad to deal further with his inquiry.

Mr. Howard: Mr. Speaker, may I ask—

Mr. Pearson: Mr. Speaker, may I ask the Prime Minister when the government expects to receive—

Mr. Speaker: Order. Is the hon. member's question a true supplementary?

Mr. Howard: Yes, indeed; not a bootlegged one. In fact, Mr. Speaker, it is a reply to the question posed to me by the Minister of Justice, to identify the report. It is the report of the restrictive trade practices commission into the pricing policies—and I use their words—of certain pharmaceutical houses with respect to, notably antibiotics and tranquilizers.

Mr. Fleming (Eglinton): Mr. Speaker, I am informed that the restrictive trade practices commission has made considerable progress toward completion of its complicated task in this case, but I have as yet received no indication as to when the report will be made. The hon. member will realize, of course, that this work has necessarily been pursued concurrently with that in other inquiries, including for example those with respect to which four reports were tabled at the beginning of this session.

PENITENTIARIES

DORCHESTER, N.B.—REPORTED UNSATISFACTORY SITUATION

On the orders of the day:

Hon. Donald M. Fleming (Minister of Justice): Mr. Speaker, may I refer to a question the hon. member for Skeena asked last Friday, September 28, concerning the Dorchester penitentiary.

My response to his question, which is found at page 18 of *Hansard*, is that inspections of this institution in recent months by the commissioner of penitentiaries and other members of the staff of the penitentiaries service have not indicated any inmate unrest of a serious nature. A very recent report from the warden confirms that the general situation at Dorchester penitentiary is satisfactory. That statement, of course, must be interpreted having regard to a general condition of overcrowding that obtains in all the maximum security institutions.

Concerning the need for additional security officers, I may say that four new appointments to the staff were authorized on September 28, bringing the total custodial establishment to 110.

TRANSPORT

NEWFOUNDLAND—REDUCTION OF SERVICE DURING WINTER MONTHS

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): On Friday last the hon. member for Burin-Burgeo asked a question concerning train service in Newfoundland. In reply to his inquiry, I have checked my files and find that up to now no representations have been received in my office in this connection from chambers of commerce or other groups.

In the meantime I have been in touch with the management of the Canadian National Railways and am advised that the reduction during the winter months is simply an adjustment designed to bring the service provided in line with the demand for it during that period, and is similar to action being taken in various parts of the country.

NATURAL RESOURCES

LAND AND WATER USE PROGRAM—REPORTED STATEMENT BY MINISTER

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Minister of Agriculture if he would care to comment on a story by Walter Gray in today's *Globe and Mail* that much to his chagrin the government's legislative program did not include a national land and water use program.

Mr. Speaker: The hon. member is surely aware that the orders of the day are not a period during which members may demonstrate that they are up on their daily newspapers. In addition, I doubt whether this actually comes within the ministerial responsibility of the Minister of Agriculture.

Mr. Fisher: When a minister has expressed himself to a newspaper reporter—the words are "much to the chagrin of agriculture minister Alvin Hamilton"—I should like to put a proposition to you in terms of relevancy, Mr. Speaker. If a minister has, within the last few days, expressed to a reporter chagrin at the government's legislative program, what are we to do but ask him a question about it?

Hon. Alvin Hamilton (Minister of Agriculture): I rise on a question of privilege. I have never expressed chagrin to any person, now or in the past, on this subject.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, October 1, consideration of the motion of Mr. Gordon Chaplin for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Pearson.

Right Hon. J. G. Diefenbaker (Prime Minister): Last evening at the time of the adjournment I was dealing with the question of minority governments on which the Leader of the Opposition placed so much emphasis. So that the record might be a true one I thought it proper that I place on *Hansard* the various occasions when in Canada, under a Liberal government, there was a minority vote of the people of Canada. In 1921, as I said, the Liberal party had 41.5 per cent; in 1925, 40.1 per cent; in 1935, 43.9 per cent; in 1945, 41.4 per cent. In 1957 we had a minority vote of 39 per cent and in the same year the Liberal party had 42.3 per cent.

In 1958 the Liberal party fell to 33.7 per cent, the lowest percentage in all its history over a period of 90 years. When the hon. gentleman talks about the resurgence of Liberalism in Canada, may I point out that in this election the Liberal party went above that level by approximately 3.6 per cent, and outside of 1958 had the lowest percentage in the history of the Liberal party since 1887. That to me is an answer to the resurgence of which he speaks; the record has also to speak.

I was very much interested in what he had to say regarding the making of appointments on the part of a minority government. I point out that in 1957 there was no complaint in that connection. He referred to what the late prime minister of Canada, Mr. King, did in 1925. It is well to recollect that in 1925 the Liberal party was a minority of minorities. It was in this position; it fell in membership from 118 to 101, the Conservatives more than doubled their membership from 50 to 116, and 24 Progressives were elected. According to my understanding of history—that is, until it was revised by one who at the moment is going to remain unidentified—Mr. King went to Lord Byng and said that he wanted to stay in office until parliament met, even though he had a minority, with 15 seats less than the Conservatives. Lord Byng said he would allow him to stay provided that he made no appointments. That was the difference in the situation then and now, and in no way does that occasion and what took place then assist the official opposition in the argument that they have advanced.

I am not going into the incidents of 1925.

Mr. Pickersgill: For obvious reasons.

Mr. Diefenbaker: Mr. Speaker, Mr. Eugene Forsey did that. Also, if the hon. gentleman wants to look at the record, I would suggest that he read the letters of the late Senator Murphy, a former member of Mr. King's administration, in which he dealt with that period and the circumstances connected with Mr. King's dissertation to his government.

Mr. Speaker, I started off last evening without performing a function that is part and parcel of the application of the amenities of parliament. It is one thing about which I am able to agree with the Leader of the Opposition, and that is the expression of congratulations to the hon. member for Waterloo South and the hon. member for Nicolet-Yamaska. I doubt whether there is a more trying, but at the same time more thrilling, experience than to be either the mover or the seconder of the address in reply to the speech from the throne. It has always been the same through the years. Everyone making his maiden speech in parliament goes through an experience that is almost beyond description.

Both these hon. members, however, spoke in a manner befitting the honour that was directed to them and their constituencies. The mover, as the Leader of the Opposition said so well, has a great tradition of service before him. In the succession from father to son, we have the example of a highly respected businessman accepting responsibility and sacrifice for service in public affairs. Yet another example of that is in an appointment to the cabinet; one of the leading businessmen in this country who, in order to serve, has had to make tremendous sacrifices. These things represent the epitome of good citizenship. I congratulate the mover.

As far as the seconder is concerned, I need only say to him that he spoke with power and capacity and with an unusual ability in both languages. I heard both these hon. gentlemen speaking during the recent elections, and I can say to them that as the result of their presentations and the ability they displayed, they were honoured in this way.

I want also to say to many of the new members—things did not turn out just exactly as I had hoped; apparently the Leader of the Opposition and I are in agreement there—that the greatness of parliament depends on bringing into this institution men and women of capacity and ability. While we have been here for only a couple of days, I must say that those new members in all parts of the house who have come here have shown a capacity and ability that I know will provide a great sense of dignity and capacity in carrying out the responsibilities that will rest upon this parliament.

In lighter vein, may I say that while the Leader of the Opposition moved a vote of non-confidence, his near seatmate, the hon. member for Essex East (Mr. Martin), displayed this morning his views as to the outcome when he said that the Gill report will be available to this government for implementation shortly before Christmas.

Mr. Martin (Essex East): I am a very bad prophet.

Mr. Diefenbaker: That, Mr. Speaker, is the finest admission he has ever made. He has been a bad prophet all the way along. This time, however, he speaks from the heart.

Now, sir, I was tremendously interested too in the appeal to the members of third parties in the house and in the fine solicitude which was displayed by the Leader of the Opposition. I would point out, as I pointed out last evening, the references made to the hon. member for Villeneuve (Mr. Caouette) by the Leader of the Opposition a few weeks ago. I would also refer to a speech that the Leader of the Opposition made at Sorel, Quebec, when he showed that he intends not only to run his own party but that he wants to direct and run other opposition parties. This is what he said. I am reading from a translation, at page 4, of his speech at Sorel. It is an extremely interesting statement which he made:

> An opposition member, therefore, cannot vote confidence in the present government without being a traitor to the mandate.

That was one of the statements he made. I simply point out that contempt of parliament has had few equals to that statement. He then goes on to say many things to which I will refer. Then he states what happens to the third parties for which he has such great solicitude if he succeeds in a vote of non-confidence. This is found at page 5.

Mr. Pearson: Mr. Speaker, may I ask the Prime Minister what he is reading from?

Mr. Diefenbaker: I am reading from a document issued by the cabinet du chef de l'opposition. In that document he states.

> What will this new election be like?

Mr. Pearson: I was asking the Prime Minister what he was reading from when he said he was reading from a French translation.

Mr. Diefenbaker: I am reading from the French translation, yes; I have the French here and I am able to translate it with a great deal more effectiveness and correctness than is the hon. gentleman.

Mr. Pearson: Mr. Speaker, I rise on a point of order. The Prime Minister has just said he was reading from a French translation made in my office. That is not true. He is reading from his own translation.

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman has been carrying on a very interesting campaign—and I am happy that he has done so—in this cooling off period, as he has made more statements that have been beneficial to the government than any member of the government has been able to make. To continue the quotation:

> What will this new election be like? It will be as those others which have preceded it, a fight especially between the Liberal party and the Conservative party.

For the New Democratic party he has these welcome words:

> In the last election the N.D.P. was definitely chased out of Saskatchewan and has only temporarily supplanted Social Credit in British Columbia. As for the Social Credit upswing, this did not spread beyond the frontiers of Quebec.

Then he goes on to say this:

> In this decisive battle between the Liberal party and the Conservative party, we do not fear the verdict.

Then he goes on to say it will be a battle between the Liberal and Conservative parties. I simply point out that the powers of prophecy are not restricted to the hon. member for Essex East.

During the election campaign the Leader of the Opposition made many statements. I do not intend to go into those statements. I do not intend to refight the election. However, I am going to point out that the expenditures he promised would amount to over $1 billion per annum additional to those already provided for—

Mr. Pearson: Rubbish.

Mr. Diefenbaker: —$1,300 million in other odds and ends—

Mr. Pearson: Nonsense.

Mr. Diefenbaker: —without considering that the latter would have increased income taxes in Canada by 40 per cent to 50 per cent.

Mr. Pearson: That is another untrue statement.

Mr. Diefenbaker: Yesterday he came along and added a further group of promised expenditures. The promises he made last evening would add to the annual expenditure of Canada by well on to a billion dollars. Then he speaks about the financial difficulties of Canada and what would be done by the Liberal party to meet them. Included in those undertakings he entered into last evening was the bringing in of health insurance at a cost of approximately $400 million per annum.

These things indicate that there is no sense of responsibility on the part of the official opposition. In addition to the health scheme he says he intends to provide the municipalities with all they want, in effect, aside from the fact that the municipalities are within the jurisdiction of the provinces. To comply with the requests of the municipalities would add to the expenditure one half billion dollars per year. I ask this question. Is it responsible or is it what one would expect from the Leader of the Opposition for him to be endeavouring to bring about expenditures at this time, to cramp the economy instead of doing everything possible to put that economy in higher and higher gear?

He objects to parliament having been called on September 27. Let me say this. One of the statements he made during the election campaign was this, and I have his exact words:

I want to tell you that if we are successful at the polls there will be an autumn session of parliament.

We have accommodated him in that connection.

Mr. Pearson: You were successful; that is the difference.

Mr. Diefenbaker: I sat and listened with amusement yesterday. If the hon. member has any observations to make, let him put them in the form of questions. Before parliament opened he announced that he was going to vote against us no matter what our program would be. Is that the attitude of a responsible opposition? It is interesting to note that five or six of the ideas advanced by the Liberal party and discussed by the Liberal party during the years are in the speech from the throne. We do not mind. They give us ideas. That is parliament. However, when we bring them out, when we bring them into being, then those who brought them before parliament—and that is the purpose of parliament —are going to vote against us. Here is their program announced in London, Ontario, on May 20:

Domestic production of many goods now imported to reduce adverse trade balances.

In the speech from the throne there is action on that matter.

Elimination of inefficient production in Canadian industry . . . through possibly tax incentive.

We have provided for that as we did in the previous budget but the legislation was not passed.

Canadian industry should be offered tax incentives for increasing export sales.

We did that in the budget last spring. This enunciation of what the Liberal party stood for, I should point out, was made after these various matters were brought out in the budget.

Reduction of and eventual elimination of budgetary deficits.

We have made our declaration in that connection. We have taken a forward step in reducing controllable expenditure. Now, when we do this, they are going to vote against us. In addition to that, they are going to have a larger budgetary deficit in the event they are able to carry into effect the policies which were enunciated yesterday.

Finally there is the revision of the tax system. We set up a royal commission in that connection, which has been requested for years, to investigate the whole situation, the ramifications of taxation, in order to ascertain to what degree there can be amelioration and, where anomalies exist, to attempt to remove them. They speak of royal commissions. I think the person who should secure the highest degree of appreciation for his conviction in this regard is the hon. member for Essex East. He spoke of the number of royal commissions.

Mr. Martin (Essex East): Government by royal commission.

Mr. Diefenbaker: I am glad he said that because the government of which he was a member from 1951 to 1957 appointed one more royal commission than we have.

Mr. Martin (Essex East): The point struck home; that is apparent.

Mr. Diefenbaker: I am simply pointing out these facts in order to deal with the whole problem that is before us, and also in order to deal with some of the statements that have been made by the Leader of the Opposition in the last few months. I am going to say to him at once that I am not going to put these statements on *Hansard*, these personal

attacks. I could answer them, but I am not going to get down in the gutter with the Leader of the Opposition.

Mr. Pearson: That is where you have been for years.

Mr. Diefenbaker: I say to the Leader of the Opposition that it has been a concerted effort on the part of the Liberal party and was declared to be such by one of them. It was stated that everything would be done in order to personally attack me.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: They know it is a fact.

Mr. Martin (Essex East): Will the hon. gentleman permit a question?

Mr. Diefenbaker: I will give the hon. gentleman the information. I think he is the one, himself.

Mr. Martin (Essex East): Does the right hon. gentleman know of anyone—

Some hon. Members: Order.

Mr. Martin (Essex East): Does the right hon. gentleman know of anyone who was more personally abused—

Mr. Deputy Speaker: Order.

Mr. Martin (Essex East): —than the way the minister of finance abused the Leader of the Opposition?

Mr. Deputy Speaker: Order. I do not think the hon. member for Essex East should proceed with a question unless the Prime Minister yields the floor. He knows this is the rule of the house, and I did not see the Prime Minister yield the floor.

Mr. Diefenbaker: I wish to state this, that criticism is essential in the democratic process, but the organized deluge of defamation and adjectival abuse that has been heaped upon the government of this country and myself as leader has never been equalled in the history of Canada. I am going to place the record here. Yesterday, as I listened to the Leader of the Opposition, I had to compliment him for his restraint in not saying inside the house, when he is face to face, what he said outside when all that he faced was Liberal supporters. I want to compliment him on that. Never before has there been the equal in vehemence and virulence displayed in public affairs in this country. I realize that in the heat of debate we often say things about one another we wish we had not said. But, sir, when speeches are prepared in advance and handed out by the Leader of the Opposition in Toronto and also in Sorel, I say to him—

Mr. Pearson: Put them on the record.

Mr. Diefenbaker: I am not going to spoil the record with that.

Mr. Pearson: What a phony attitude. Repeat them; put them on the record.

Mr. Diefenbaker: Mr. Speaker, it is very obvious that I have touched a tender spot. They show a disregard for the accepted amenities of political controversy. I point out also, and I am just doing it so there will be no misunderstanding, that in 1921 when Right Hon. Arthur Meighen was abroad at a conference equivalent to the prime ministers' conference, Mr. King disagreed with the stand that was being taken. However, he had that appreciation of the amenities that he said nothing until Mr. Meighen returned. Mr. Meighen followed the same course during an occasion when Mr. King was abroad; for after all the prime minister represents the people of Canada. If there is disagreement with that policy one expects criticism, but one does not expect a continuation of the kind of policy that the Leader of the Opposition and those associated with him have followed, of personally attacking.

As a matter of fact I should thank him, because I have had lots of correspondence from people who have said, "I cannot understand Mr. Pearson; I never knew he would engage in the kind of thing in which he has engaged since the last election."

Mr. Pearson: On a point of order—

Mr. Deputy Speaker: The Leader of the Opposition on a point of order.

Mr. Pearson: The point of order is that the Prime Minister has accused me of making a personal statement of criticism and vilification; and using other adjectives, in connection with these statements made outside the house. I ask the Prime Minister to substantiate that allegation by putting this statement on the record inside the house.

Mr. Diefenbaker: Mr. Speaker, I am too old for that. When defamation takes place, do you repeat the defamation against yourself?

Mr. Pearson: Put up or shut up.

Mr. Harkness: That is in character.

Mr. Diefenbaker: I am suggesting the Leader of the Opposition apparently secured his idea of free speech from the hon. member for Bonavista-Twillingate and indirectly from the premier of Newfoundland.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Mr. Speaker, I rise on a question of privilege, since the Prime Minister has chosen to draw me into this matter. My

question of privilege is that I take no exception at all to the personal attack the Prime Minister has just made on me and my reputation.

Mr. Bell (St. John-Albert): What reputation?

Mr. Fleming (Eglinton): If you only knew how funny you are.

Mr. Pickersgill: Well, it was a personal attack.

Mr. Pearson: Mr. Speaker, I rise on a question of privilege and I do it now because, in accordance with our rules, I must raise it at the earliest possible time after the event in question. That is why I am doing it now because now I have the documents in my hand, and I could not raise it before that.

The Prime Minister, a few moments ago, said that in a speech at Sorel I made the statement that anyone in the other parties who voted against a no confidence motion would be a traitor.

Mr. Diefenbaker: I did not.

Mr. Pearson: These are the words the Prime Minister used.

Mr. Diefenbaker: Traitor to the mandate; that is what I said.

Mr. Chevrier: You stopped at the word "traitor".

Mr. Fulton: He said "traitor to the mandate".

Mr. Deputy Speaker: I think we should hear the Leader of the Opposition out on the point of privilege.

Mr. Pearson: The Prime Minister used this word "traitor" and he stopped there.

Mr. Diefenbaker: I said "traitor to the mandate".

Mr. Pearson: No.

Mr. Deputy Speaker: I will hear the Prime Minister's comment on the point of privilege, if he wishes.

Mr. Pearson: I am making my point of privilege at this time since I had not got the text before. I have now got it in French and English. The Prime Minister used the word "traitor" without anything after it. I noted it and now I have the right to the floor; and especially in view of what the Prime Minister is saying about being careful and fair and accurate, I should now put on the record the text in French and English, in our translation, to show exactly what I said at that time. That is my question of privilege and I have the right to do that. Here is what I said, to remove the charge that I said that any members of other parties who voted against our no confidence motion were traitors.

Some hon. Members: Order.

Mr. Deputy Speaker: I did not know whether the Leader of the Opposition was yielding the floor or not, but I noted at the time that I saw the Prime Minister rising and I presumed he was rising to comment on the point of privilege.

Mr. Diefenbaker: Exactly, Mr. Speaker.

Mr. Pearson: I can only say—

Mr. Deputy Speaker: Order. I can only hear one speaker at a time. If the Prime Minister is speaking to the point of privilege before the comments or corrections are put on the record by the Leader of the Opposition, I shall hear him.

Mr. Chevrier: The Leader of the Opposition has not completed his point.

Mr. Diefenbaker: There is no question whatever about what I said. The opposition members will have—

Mr. Martin (Essex East): On a point of order, Mr. Speaker—

Some hon. Members: Sit down.

Mr. Martin (Essex East): I rise on a point of order.

Some hon. Members: Sit down.

Mr. Deputy Speaker: Order.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Deputy Speaker: Order. I have been unable to hear sufficiently what the Prime Minister is about to say in order to give the floor to the hon. member for Essex East on a point of order. Now, if he will permit me to hear the Prime Minister, just to a point where I can make a decision as to whether or not the floor should be allowed to him, I shall be happy to do so. I presume the Prime Minister is speaking to the point of privilege, and I think I should hear him sufficiently to come to a satisfactory and fair judgment.

Mr. Martin (Essex East): Mr. Speaker, with great respect—

Mr. Diefenbaker: I have the floor.

Mr. Martin (Essex East): I was simply going to point out—

Some hon. Members: Order.

Mr. Martin (Essex East): —that the opposition—

Mr. Deputy Speaker: Order. I am going to hear the Prime Minister. As I pointed out to the hon. member for Essex East, I shall

be very happy to give him the floor if he rises on a point of order as the Prime Minister proceeds.

Mr. Diefenbaker: Mr. Speaker, the words I used are these; these are the words and the translation:

Opposition members therefore cannot vote confidence in the present government without being traitors—

Mr. Pearson: Traitors.

Mr. Diefenbaker: —"to the mandate".

Mr. Martin (Essex East): Not at all. You stopped there.

Some hon. Members: Shame.

Mr. Benidickson: Absolute deceit. They want to change *Hansard.*

Mr. Deputy Speaker: The point at issue, I think, will be determined when the blue sheet of *Hansard* come to the members.

Mr. Fleming (Eglinton): I heard it clearly.

Mr. Deputy Speaker: If I may finish my sentence—when they come before the house and later, of course, in the publication that is issued tomorrow. In the meantime is the Leader of the Opposition rising on a point of order?

Mr. Pearson: I am quite willing to let this matter be determined by the blue sheets of *Hansard.*

Mr. Fleming (Eglinton): And I heard him use the words, plainly heard him.

Mr. Deputy Speaker: Order. I want to give the floor now, if I may, to the Prime Minister so that he can resume his address.

Mr. Diefenbaker: I repeat that I said "a traitor to the mandate," and the record will speak. If hon. gentlemen did not hear it—

Mr. Benidickson: We will trust *Hansard.*

Mr. Diefenbaker: I intended during the course of my remarks to nail down and throw back in the face of the Leader of the Opposition his unprincipled suggestion that I withheld facts regarding Canada's problems. When I said that Canada was in an economic upsurge I take it that his stand is that a foreign exchange emergency cannot arise in the midst of an economic upsurge. I also intend to prove that I not only did not conceal facts from the Canadian people but I placed before them the facts as they were.

An hon. Member: After the election.

Mr. Martin (Essex East): You did, too.

Mr. Fleming (Eglinton): What is that?

Mr. Martin (Essex East): You concealed the facts from the people of Canada.

[Mr. Deputy Speaker.]

Mr. Fleming (Eglinton): That is a false statement, utterly false.

Mr. Diefenbaker: Mr. Speaker, I must be irritating some parts of the anatomy of the opposition. I want to say that all of this is part of a deliberate policy, to use the Leader of the Opposition's own words in one speech—

Mr. Pickersgill: What speech?

Mr. Diefenbaker: I shall produce the speech; there are so many of them—that we need no longer discredit him. I do not mind criticism but, sir, all through the campaign there was ridicule poured on the fact that I have not an Anglo Saxon name. Their advertising used the first two syllables of my name in ridicule, and I finally found where they got my dog, Happy, into it. That was about the last touch.

Mr. Martin (Essex East): Surely you are not in the class of Mr. Roosevelt.

Mr. Harkness: Try and restrain yourself.

Mr. Martin (Essex East): And Roosevelt was a great president.

Mr. Diefenbaker: I wish to tell the hon. gentleman opposite that I am not going to classify him because he would be awfully mad if I did.

Now then, I shall first therefore deal in part with the economic situation as it was and as it has developed since the election. Then I am going to refer to the experience of Canada in 1947, when we had an exchange crisis, and the explanation that was given at that time. Then I shall place before the house in general the economic plan that we have for the next five years. Some of it has been set out in the speech from the throne. Parts of it cannot be dealt with or referred to until a budget has been brought in.

In passing, may I say that this policy of ridiculing Canada or the leadership in Canada did not prevent the Leader of the Opposition yesterday from casting scorn upon the Secretary of State for External Affairs regarding Canada's position internationally. I do not know why he would do that. Wherever I go there is no jealousy. The Secretary of State for External Affairs is regarded as one who has given leadership all over the world on behalf of that one thing we are all striving for, without regard to party considerations, namely disarmament and an ending of this arms race that can only lead to catastrophe unless it is stopped.

The Leader of the Opposition did not speak at any length in regard to external affairs. I am just going to outline generally our views and particularly answer those allegations that were made respecting any action on my part to delude the Canadian people. I welcome the opportunity of meeting those allegations.

I also intend to cover one or two other matters and I will leave it to my colleagues to deal particularly with subjects other than those to which I refer during the course of this debate.

In the last two or three years all of us have had the experience of the attitude of the opposition ridiculing Canada's economy and downgrading Canada; in preaching ruin. So often I have pointed out that if continued long enough that type of criticism can only result in loss of national confidence with a corresponding loss to the national economy.

I am now going to refer to some of the changes that have taken place. When I hear the Leader of the Opposition speaking of how terrible conditions are in Canada and how economically we have fallen behind, I pick up a few recent issues of newspapers and magazines. Mr. D. L. Morrell of the chamber of commerce says in his annual report that business in Canada has "moved out of the mild recession of 1960-61 and now is well along in the subsequent period of recovery."

I see an article in the Toronto *Star* which says:

> The small guy's bank keeps growing.

That is dealing with the expansion of the industrial development bank. In the September 29 issue of the Montreal *Gazette*, in connection with employment:

> Employment should improve during the fourth quarter, according to the results of the 20th quarterly survey of Manpower Services Ltd.
>
> Of 630 firms polled, 15 per cent said they would be adding staff. Of 500 firms polled last September, only four per cent said they would be adding staff.
>
> The employment prospect appeared to be brightest in Vancouver, one of the ten cities in which the survey was conducted.

So it goes on. Then we have *Maclean's* magazine. It is not regarded as one of our major friends, particularly since the editorial of June 27, 1957 which pointed out that the St. Laurent government had been returned. This is what *Maclean's* magazine says:

> Forecast: Fine for Canada.
>
> Pulp and paper contributes more to the economy than any other industry... Prosperity and the standard of living in Canada largely depend on the well-being of this one industry.

Then there is the Toronto *Globe and Mail* of September 27, 1962, where Fraser Robertson writes:

> Thaw taking place in the winter of discontent. It is just one man's opinion, but it does seem to me that the winter of discontent is beginning to lift from the Canadian industrial scene. And again it is only one man's opinion, but it also seems to me that if Canadian industrialists today are indeed beginning to pay more attention to opportunities than to difficulties, much of the credit should go to trade minister George Hees.

Then he says:

> These remarks are based upon a growing number of speeches delivered at meetings of businessmen, and observation of a growing number of examples of Canadian success in penetrating foreign markets. A capsule example may be seen in the recent speeches of the president of the Canadian Manufacturers' Association, Carl A. Pollock...
>
> As president of the C.M.A., Mr. Pollock is duty bound to enunciate its basic policies in his public speeches and this involves, to be sure, advocacy of a degree of protection as well as relief from high taxation—

We have equitable taxation under this government.

The Windsor daily *Star* of September 8, 1962 says:

> Canada car output up.

While the Leader of the Opposition speaks of measures to assist the car industry, I find that shipments increased by 32.1 per cent. This article says:

> Factory shipments of Canadian made motor vehicles jumped 32.1 per cent in the January-July period this year—

And so on. The Ottawa *Citizen* of September 13, 1962—which newspaper has never been noted as one of our friends—refers to "A brighter unemployment picture". The Montreal *Star and Herald* of September 10, 1962, had this to say:

> Wholesale sales favourable.
>
> Wholesale trade in Canada this year has given a very encouraging performance. In June (latest figures reported) there was an increase of $55 million in dollar volume of sales of Canadian wholesalers to $880 million from $825 million in the like month of last year, a rise of 6.6 per cent.

Then the Montreal *Gazette* of September 17, 1962 says:

> Canadian firms' dividends at record for nine months.
>
> Dividend payments by Canadian companies are at an all-time high.

The Toronto *Globe and Mail* of September 14, 1962, in an article written by Leslie Wilson, says:

> The statistics show good performance in trade and industrial production. Some of the figures are open to conflicting interpretations, but a number of economists argue that they show the Canadian economy is rolling along, and that our net performance is better than that of the United States, and will continue to be so.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Pearson: Mr. Speaker, I rise on a question of personal privilege. This morning in his statement the Prime Minister quoted from what he claimed to be an English

translation issued from my office of a speech which I made in French in Sorel. Quoting from that translation he used certain words; the exact words will appear in *Hansard*. The word "traitor" appeared, whether followed by other words or not. But the Prime Minister said he was quoting from a translation issued by my office. Mr. Speaker, there was no translation issued from my office of this speech which I made in French, and to make this matter clear I put on record what I said on this question in the French speech which was the only text issued of the speech I made.

(Translation):

So a member of the opposition could not give a vote of confidence to the present government without being a traitor to the mandate he has just received from the people.

(Text):

The Prime Minister also said this morning that out of jealousy I made a personal attack on the Secretary of State for External Affairs last evening. My only reference to the Secretary of State for External Affairs—and I am quoting from *Hansard*—was:

—the Secretary of State for External Affairs keeps working away at disarmament, going up to New York and to Geneva and then back again. We wish him well and applaud his efforts and his sincerity.

This is presumably the idea of a personal attack held by the Prime Minister.

Mr. Diefenbaker: Of course, those were not questions of privilege at all. As far as the latter quotation is concerned, it does not cover the statement which was made regarding Canada's position, and in so far as the earlier question is concerned, the blues reveal that the words used included the word "mandate".

Mr. Martin (Essex East): They did not.

Mr. Diefenbaker: That is not what the blues say.

Mr. Martin (Essex East): It is not what you said.

Mr. Hees: Yes, that is what he said.

Mr. Diefenbaker: There is nobody in the gallery of the House of Commons, but if there were, in the press gallery, there would be members of the press gallery who had the exact words, including "mandate" after I spoke.

Mr. Fleming (Eglinton): And I heard the words plainly.

Mr. Diefenbaker: This is the first time I have ever heard the blues challenged when they included a word. Sometimes there is a word excluded because it is not heard, but this time hon. gentlemen opposite are really sore put, and I can fully understand their feelings in this regard. They have my deepest sympathy.

I was dealing at the time of the adjournment with the argument being advanced so generally that Canada is dying politically and economically, that we ought to get the economy rolling. I was referring to some articles which have appeared in the last few days. I referred to an article which appeared in the Toronto daily *Star* on September 17. The heading is "Its Opponents Sniping but 'Small Guys' Bank Keeps Growing". This is what it says:

The industrial development bank, long one of the least noticed of government agencies, is heading for another record year—and a lot of attention.

The I.D.B. had an 84 per cent increase in loans last year. This year there probably will be another increase of about 50 per cent jumping the total from 740 loans in 1960 to 2,000 in 1962.

The article goes on to say that there has been a "snowball effect". The I.D.B. has expanded its offices and, by act of parliament, has had its area of operations expanded enormously.

Then, when they are speaking about how bad things are in Canada, hon. gentlemen opposite might do well to bear in mind an article written by Aaron Einfrank under a United Nations dateline. This is dated September 17, and appeared in the Toronto *Telegram*.

The international monetary fund has given Canada a clean, glowing bill of economic health in the fund's annual report on the state of the world's economy.

But as the IMF annual meeting opened in Washington today, managing director Per Jacobsson cautioned that additional permanent measures will be needed for Canadian economic stability in the future.

"I hope Canada's emergency program is not too successful" Jacobsson smilingly told Canadians after a press conference, "or they will think a long term program is not needed."

Then on September 14 the following appeared in the *Globe and Mail*. The heading reads "Bank's Review Notes Upsurge in Production".

Upward forces in the Canadian economy have moderated, the Bank of Nova Scotia says in its monthly review. There are also uncertainties in major export markets, it says.

However—

During the past 18 months business activity in Canada improved markedly following the 1960-61 recession. Figures so far available suggest that the total volume of production at mid-1962 was running about 9 per cent above the low of the recession and about 6 per cent above the previous peak reached in 1960.

Then the Vancouver *Province* said:

Economy is booming in B.C., says Bonner. Prosperity pointers up. B.C. has all the makings of a boom year, trade minister Bonner said Friday. If we can maintain the trend in the face of a national tendency the other way, then our economy has come of age.

Then it is of interest that *Business Week*, which has no political connections whatsoever, comes to this conclusion:

> Canada flouts the diagnosis. This has been a year of indignity for the Canadian economy.

I will not make any observation as to who placed the position of indignity on the economy.

> American, European and even Canadian pundits have unrolled even the most dolorous phrases . . . In the first half of the year industrial production rose almost 4½ per cent, a gain that matches that in the U.S. And because the 1960-61 recession was even less severe in Canada than in the U.S., Canada's economic performance over the past 2½ years has been slightly better than the U.S.

It goes on to say:

> At the start of the year Canadian economists were predicting that this country's gross national product would rise 7 per cent in 1962. The current generally accepted forecast is for a GNP of $39.2 billion, up 6 per cent from last year. It therefore looks as though Canada's economic performance will come much closer to matching early year expectations than will that of the U.S.

And I could go on. I do not want to clutter the record, but I think I should mention, in support of a suggestion made earlier today, that the attitude taken by the opposition, more particularly accentuated during the election, was not beneficial to Canadian confidence. In that connection I would read from the *Northern Miner* of July 26, 1962. It says:

> The late political campaign produced a fine crop of destructively untrue and unjustified allegations designed to swing votes against the government.

I need not indicate the area of the house from which those statements emerged.

> As a matter of fact, it looks as though this smear campaign startled U.S. and European investors in Canada to the point of pulling a lot of money out of this country, creating the sudden exchange crisis. Politically it was effective. There is no doubt that the scare, as interpreted by the general public, has cost the Diefenbaker government a lot of votes and probably a number of seats.

I am not going to go into a lengthy summary of an economic review, but on other occasions it has been stated that when I spoke I had not given any general indication of the economic situation. I am going to leave this to one of my ministers, but I would like to make some general observations in connection therewith.

The Canadian economy has continued to expand throughout 1962, with the advance taking place on a broad front. The Minister of Justice, formerly the minister of finance, dealt with this at some length yesterday and will be dealing with it again. However, I would point out to the house that the six indicators of recovery which were used by President Kennedy in his T.V.-radio address of August 13 are of interest. In connection therewith he compared current levels with those of some one year earlier, and I take those six indicators and place before the house the comparison with Canada. I mentioned the gross national product. It says in Canada the gross national product in the second quarter of 1962 is running at a record level. In real terms it is also in the same position. The seasonally-adjusted index of industrial production reached a record level of 186.8, based on comparison with 1949, with 100 as the basis. In July, 1962 it was 7.7 per cent above the level of one year earlier.

Now in connection with production, steel ingots 10.8 per cent above the level of the first eight months of 1961. Pig iron production up 14.4 per cent over January-August 1961. Lumber was at an all-time high record; the output was 10.8 per cent above the comparable January-July 1961 level.

Mr. Fulton: That was helped by devaluation.

Mr. Diefenbaker: Yes, that is true. I will come to that. I am glad to have that observation, and I will mention devaluation in a moment. A number of important minerals in the first half of the year compared with one year earlier. Iron ore was up 84.8 per cent, nickel 10 per cent, and zinc production up 13.9 per cent; crude petroleum output up 16.2 per cent. With regard to motor vehicles, the number of units produced in the first eight months of 1962 surpassed the total for 1961 by 29.8 per cent. Personal disposable income has risen to a new all-time high this year. Wages and salaries, including military pay and allowances, were running at a record rate, 6.9 per cent over one year ago. Corporation profits before taxes and before dividends paid to non-residents reached a seasonally adjusted annual rate of $3,868 million in the second quarter of the year. This is the highest level ever attained, and exceeded the total for the second quarter of 1961 by 15 per cent.

Let us compare those figures with the United States, because after all we are always told how far behind economically we are, that we should get Canada going, and there is all the doom and gloom. Comparing the gross national product with that of the United States, the seasonally adjusted annual rate was 0.7 percentage points higher. Industrial production was slightly below that of the United States. Canadian unemployment rates showed a drop of 62 per cent between January 1961 and August 1962, almost double the 31.2 per cent decline in the United States. Personal disposable income was 11.1 per cent higher in the second quarter of 1962 than in the first quarter of 1961. The United States increase was 7.8 per cent. With salaries and wages we were slightly behind the United

States. With regard to corporate profits, Canadian corporation profits before taxes and after dividends to non-residents were very considerably higher, some 16.5 percentage points higher, than in the United States.

Therefore, sir, I summarize by saying that, measured by the six indicators of recovery, Canada has made greater economic progress since early 1961 than has the United States.

I could go on and read further details in that connection. I should mention the question of trade. I think what has been done by the Minister of Trade and Commerce in that regard has been phenomenal. So far as exports and imports are concerned, total Canadian commodity trade for the first six months of this year was the largest in any year in Canada's history and exceeds the comparable 1961 figure by 13 per cent. Today the export figures are available with regard to July. To bring the matter right up to date:

> Exports again show an encouraging rise to $547 million in July this year against $518 million in 1961. Most significantly perhaps the sharpest increases are occurring in our shipments to the United States which are being maintained at a level of 20 per cent above last year.

A moment ago mention was made of devaluation. In the light of experience since that policy came into effect, I am sure everyone must agree that the course taken by this government in connection with devaluation has been a tremendous boom to our exporters and at the same time has provided basic help to Canadian industry within Canada to produce those things which are needed in Canada and which otherwise would not be produced.

I now come to a subject which was not dealt with by the Leader of the Opposition. I refer to the subject of agriculture. The mid-September forecast of the 1962 production of Canada's principal field crops is highly encouraging. Prices have increased to such an extent that in every part of Canada farmers are receiving more for their production than they could have hoped for a matter of a few years ago. There are some who would say, "Oh, carry me back to 1957". I know what the answer of the farmers would be to that suggestion, as farm cash income from farm operations reached an all time high, namely $2,958½ million, 6.4 per cent above the level of 1960 and $385 million above that of 1957, an increase of 15 per cent.

Mr. Teillet: Would the Prime Minister permit a question?

An hon. Member: Sit down.

Mr. Diefenbaker: I mention some farm prices, those of grain, as compared with 1957. For no. 1 northern wheat there is a gain of 35½ cents per bushel, a 21.7 per cent increase; rye, 44¾ cents per bushel; oats, 25¾ cents per bushel; barley, 38⅛ cents per bushel. Prices of cattle and calves have increased approximately 26 per cent during that period of time. Dairy products including milk show a gain of 27 cents per hundredweight or 6.1 per cent, and the price of creamery butterfat is up 11.3 per cent.

Mr. Teillet: Will the Prime Minister now answer a question?

Mr. Diefenbaker: When I finish my sentence the hon. member may ask a question. This is the picture. This is the reason that with studied disregard to one of the major elements in Canada's economy for many hundreds of thousands of people, last evening and yesterday in that marathon effort not one word was said about this subject by the Leader of the Opposition.

Mr. Teillet: Will the Prime Minister define fully for the house what he means by cash income?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: All I can say is that I think it defines itself for most hon. members.

I now come to another matter in connection with agriculture. As the house knows, for several years I have advocated a food bank. When I brought this matter before the NATO heads of state in December 1957—I refer to the matter of setting up a NATO food bank—because over the years it has been impossible to secure an international one, I remember that I did not receive much support although a section was incorporated in the communique. Now, largely as a result of Canadian initiative, the matter has come before the general assembly of the United Nations, which has unanimously endorsed the plan. This constitutes an attempt to ease human hunger, and is tangible evidence of the necessary advance that must be made among all nations. Those of us who have must endeavour to raise standards among those who have not, for everywhere in the world communism marches on empty stomachs.

I am glad to see that this action has taken place. In many international forums we advocated this step. On September 5 in New York about 30 other nations joined Canada in pledging 86 per cent of the necessary objective for the experimental period. Canada will provide one third of her pledge to the program in cash. These pledges were made in cash, commodities and transport services.

When I think of the tremendous volume of wheat that was on hand when we came into office and the equally tremendous competition among producing nations to dispose of their wheat, I believe that everywhere across

this country people are deeply indebted to the Minister of Agriculture for the effort he has made. It has been an effort in which the government as a whole has co-operated. It has been built on aggressive trade-seeking principles, coupled with the necessary credit being given to prospective debtors who in the past have shown a higher regard for their liabilities.

I still think of the volume of ridicule that was heaped on the government at the time of the announcement of the transaction with mainland China. Opponents said there was nothing to it, that it was ephemeral or nebulous. Well, in consequence of that deal Canada has secured not only a market for a large amount of wheat but a great increase in employment in our port and transportation facilities.

Now, I am not going to deal with the subject of trade in general except to say, as I have already pointed out, that action taken by the Department of Trade and Commerce has been as unique as it has been effective. It has been assisted by the Export Credits Insurance Corporation, which is a vital part of Canada's trade promotion program. The corporation operates in two fields, that of export credits insurance and that of long term export financing. The facility of export credits insurance, offered by the corporation, protects Canadian exporters against non-payment by foreign buyers. This insurance is provided on a break-even basis at no cost to the Canadian taxpayer. It would not be available through private enterprise.

During the past 12 months the corporation has insured more than $110 million on a wide range of Canadian produced goods which have been shipped to more than 90 foreign countries. Commitments have been given to Canadian exporters covering a further $100 million. It is hoped that a substantial portion of this business will be finalized during the next few months.

In addition to its insurance business, the corporation administers the government's long term export financing program which was authorized a little more than a year ago under section 21A of the Export Credits Insurance Act. Although the actual financing program has been operating for such a short time, a number of transactions involving heavy capital equipment produced in Canada have been satisfactorily concluded. These orders totalled more than $50 million. Commitments have been given as well to Canadian exporters for substantial additional financing to cover heavy capital equipment exports totalling $75 million. There is a very good possibility that the bulk of this business will come to Canada.

I point this out because in the speech from the throne there are still further measures, which I do not intend to particularize now to expand trade. It is of interest to note that the problem of securing trade and markets is not quite as simple as some of the opposition members would have us believe. I took it upon myself to look back and see what happened during those golden days that are looked back upon without respect. I find that in 1954 Mitchell Sharp, who was a Liberal candidate in Toronto and at that time was associate deputy minister of trade and commerce, spoke on the puzzles of policy when he addressed the Canadian Chamber of Commerce at its annual meeting in Halifax in that year. What did he say? We have been able to get into these markets; we have been able to expand, and we have been able to bring people to Ottawa. We have done these things in order to encourage the expansion of trade. We have not sat down and done nothing. What did he say at that time?

> "Canada is far from getting a fair chance to compete in world markets, and particularly in the United States," he said. "In many respects the cards are stacked against us and we must exert every effort to get a better break, not only for our raw materials and food producers but also for our manufacturers, many of whom could, I am convinced, compete effectively if they were not restricted by foreign tariffs to production for the Canadian market alone.
>
> "I am frank to admit that I do not know of any sure and certain method for bringing about this much to be desired improvement in commercial relations. If you have an answer which does not involve reductions in markets for our efficient export industries, I shall be glad to hear it and carry it back to Ottawa."

Well, at that time he was a deputy minister. In the cabinet of that day there were some outstanding men, and I look upon the faces of two or three of them now. They did not have the answer then. As a result of the efforts of this government we are able to come before you—I know the Minister of Trade and Commerce will do so in detail—and set forth what we have done. We are asking for a vote of confidence on the measures mentioned in the speech from the throne alone which, if implemented, will bring about a still further expansion in trade.

Now, sir, having merely touched the rim of the subject, leaving it to the minister to particularize, I now come to a matter that received a great deal of attention yesterday from the Leader of the Opposition and which also received quite a bit of attention during the intervening weeks when pronunciamentos were issued from time to time in regard to this problem of our foreign exchange situation. I noticed that he referred to what had been done by us in June as austerity. I have never called it that, but he and those associated with him have referred to it in

that term. It is interesting to note that the Victoria daily *Times* gives the answer to the Leader of the Opposition in this connection. I understand that the head of this paper is a great Liberal protagonist. He says this of austerity:

> Whoever introduced the word "austerity" to Canada did a good service for the crackpots—

Mr. Fleming (Eglinton): Hear, hear.

Mr. Diefenbaker:

> —a bad disservice for the nation.
>
> In the first place, the word is quite inaccurate as applied to the policies of the Diefenbaker government. No such thing as "austerity" has been imposed on the Canadian people—yet.
>
> More important, by calling the government's policies "austerity" the crackpots can make them sound evil, cruel and unnatural.

Bruce Hutchison has spoken well on many occasions.

> Even the great majority of Canadians who are highly prosperous can be made to suspect that they are suffering serious hardships if they are told so often enough.

Those are the first two paragraphs and I recommend them to the edification of the gloomsters sitting opposite. Such words were used yesterday as "catastrophic," and indeed the book of antonyms and synonyms was combed in search of adjectival exaggeration.

I now intend to deal with the question of our exchange position, a position which followed some ten years of development within our country. Deficits in international trade and in other elements have amounted to over $9 billion in that period of time. When I hear the opposition talking about how terrible the conduct of the government was in this connection, and that nothing like it had ever taken place previously in Canada, I wonder whether they expect that the minds of those who sat in this house in 1947 have eradicated the memory of that year.

I recall the speech delivered, I believe from London, by the then prime minister of Canada in which he stated "all is well; multilateral trade has been achieved." He had hardly left the airwaves when Mr. Abbott, the then minister of finance, in effect said "Not yet," and imposed by order in council, for which there was no legal authority, the most drastic measures that had ever been used in connection with the economy of the country. It was the only time a law was ever made in this country by radio. It was in the month of November that these measures were imposed, and the collections continued until March, 1948 before parliament passed the retroactive legislation to legalize them.

They speak to me about respect for parliament. Is it something new? I am sure that nobody who has listened to Mr. Barkway will say that he is completely impressed by this government. On June 30, in the Ottawa *Citizen* he wrote an article headed Financial Crisis, a Familiar Story:

> Canada is facing one of those financial crises which are only too familiar to the rest of the world, including all the sterling area countries.
>
> Britain has been through them several times since the war. Once it was driven into a drastic devaluation, and once it averted devaluation only by the most dramatic increase in bank rate that any of us have seen. Australia has been through them. Indeed, the majority of one which Mr. Menzies now commands in the House of Representatives resulted—in common belief—from his government's determination before the election to maintain external stability by restricting domestic expansion.

Then he goes on to deal with the problem, and he points out that it has happened over and over again. Much has been said in that connection, and I think I ought to place on record a list of the countries which have had to adopt remedial measures to deal with balance of payment problems in recent years. It includes the United Kingdom, to which I have already referred, Japan, Australia, New Zealand, France, Mexico, the Netherlands, Israel, Union of South Africa, Peru, Pakistan, Spain, Turkey, United Arab Republic, Yugoslavia, and in 1947, Canada.

I shall not fill the record by what was done by these various countries, but simply point out that this action is not abnormal. The action that we took was within the statutory right of the government to take, and we were not in the position of the government in 1947 when it imposed those drastic measures without any authorization by parliament, or any power to do so.

What about 1947? Have the opposition forgotten the severe depletion of Canada's foreign exchange reserves that made it necessary for the Canadian government to adopt special measures to bolster up foreign exchange and provide for the replacement of official reserves? Since the reserves fell so drastically in both cases, at present and in 1947, it is well to go back and see what happened in 1947 and ascertain from that the position today.

The early post-war period was characterized both by abnormalities in the international background and by the size and strength of Canadian import demands during a period of unprecedented prosperity. In saying that I am accepting at the moment the view of the official opposition in that they always speak of a period of unprecedented prosperity. The international background weakened the Canadian balance of payments position, and we found ourselves getting more and more into the red in our foreign exchange.

A feature of Canada's balance of payments position was a steady decrease in imports from the United States due to a high level of activity in Canada. During the whole period

from 1946 to 1948 Canada ran a surplus with the world as a whole, both on merchandise trade and current account. However, the growing trade surplus with the United Kingdom and other overseas countries was mostly financed by loans and did not result in current income in convertible currency which could be used to strengthen the country's trade and reduce the deficit with the United States.

Let us look at the figures at that time. In 1947, according to Mr. King, matters suddenly became serious, when the merchandise trade deficit with the United States rose from $430 million to $890 million in 1947, and the current account deficit from $607 million to $1,134 million. The result was that Canada's reserves of foreign exchange were severely depleted. Have the members of the opposition forgotten about that? Those were the days that they speak of prosperity. Today they would have you believe that when a country is prosperous it cannot have a detrimental balance of payments situation, yet that was not so in 1947. Just remember how suddenly this came about.

On December 31, 1946 our official reserves totalled $1,245 million but by November, 1947, they had fallen to $480 million. In 1962 they fell to $1,100 million but in 1947 they had fallen, as I say, to $480 million. Then, following the introduction of the exchange conservation program, the reserves climbed to $502 million at the end of 1947 and to $998 million by the end of 1948.

They would have the people of Canada believe that I placed before the people of Canada what was not true. They say, "How can it be that a country that you say is prosperous—having employment difficulties, however—and expanding, could at the same time have an international exchange situation arise such as arose in 1962?" The same situation prevailed in 1947 in that regard. In announcing the program the minister of finance, Mr. Abbott, emphasized—and I want to re-emphasize this—that Canada's position was essentially very strong. The immediate need was only to conserve the use of U.S. dollars by limiting spending on U.S. goods, services and pleasure travel until such time as overseas trading partners became strong enough to earn convertible currencies to pay for Canadian exports, the proceeds of which we could use in settlement with the United States.

What was the nature of the program in 1947? It was restrictions on imports. They were of a non-discriminatory nature. They prohibited imports of a variety of consumer goods such as radios, washing machines, furniture; goods already being produced in Canada. They reduced the volume of imports of a variety of other commodities, including some foodstuffs which were placed under quota. The quota system had the effect of reducing imports from the group of countries not known to be short of United States dollars while permitting increases in imports of the same commodities under quota from the dollar scarce countries. Another measure was the application of a special 25 per cent excise tax on a wide range of consumer goods in Canada.

Mr. Speaker, this was in 1947. They would have us believe, as they have gone across this country and said since the election, that this government deceived by saying conditions were good, the domestic situation was improving, the economy was on the upsurge. They said it could not have been so, otherwise this foreign exchange position would not have arisen. I give them, as the answer, what took place in 1947. Restrictions upon pleasure travel in United States dollar countries were reimposed. I see how shocked they are because we did in 1962, legally, what they did illegally in 1947. At the same time they provided assistance for Canadian gold producers. Oh, Mr. Speaker, how shocked they are that we had to get loans. This is terrible; this has never happened before. As I listened to the Leader of the Opposition during one of his bedtime story broadcasts, I wondered where he was in 1947.

Arrangements were concluded with the export-import bank in Washington for a line of credit to be available in 1948 in the amount of $300 million U.S., of which in the first half of 1948 Canada utilized $140 million. As a result of the exchange conservation program, imports from the United States declined in 1948 by $154 million from the 1947 total, while exports to the United States increased by $447 million. That is what happened then.

As a result of the action taken, the pressure on Canadian foreign exchange reserves abated; official holdings rose by $496 million between the end of 1947 and 1948 and it was possible in 1948 to begin to relax the import restrictions. That process was continued in 1949. Now when they tell you that is so unusual, I want to point out this fact, that in a period of 12 months from 1947 there was a loss of almost a billion dollars in Canada's reserves of United States currency and gold. A crisis took place. Did they know the crisis was coming? Well, they did not tell us. Mr. King said we were prepared to meet it for a period of several months, but nobody was told anything about it.

What did the 1947 Liberal program mean to business? I remember those days so well, Mr. Speaker. It gave to ministers of the crown and their officials extensive control over most industry of importance in Canada. It gave the government of Canada a life

and death power over industry. Businessmen, if there are any who think that the present situation is difficult, should think back to those days; for then the businessman had to show the government that a project was, according to the government's view, in the interests of the national economy, otherwise import permits could not be issued.

What did Mr. Howe say? He said:

> Since our supply of U.S. dollars is limited, it must in effect be rationed.

The situation before the 1947 program was that official holdings of gold and United States dollars was going down, he said, at an alarming rate. We can look at the legislation that was enacted. Certain imports were prohibited, 171 separate tariff items. Schedule II quotas were established for fruits, vegetables, textiles, leather products, soap, cutlery, watches and even coffee, 146 separate items. Then a permit system under the minister of trade and commerce was instituted which provided for capital goods such as machinery, heavy building materials, machine parts and the like, totalling 89 items.

There is the situation in 1947. Yet we are told how unusual is what has taken place recently. Mr. Speaker, as I listen to the Leader of the Opposition spinning his tales of woe I wonder sometimes whether these are gloomy comparisons of a disturbed imagination. Why not face up to the situation? Why endeavour to lead the people of Canada to believe that because we stated during the election campaign that the economy was on the up and up—and it is, and it has continued since the election—these things therefore could not take place? Was it mismanagement—

Mr. Martin (Essex East): Yes.

Mr. Pearson: You bet.

Mr. Diefenbaker: —in 1947?

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): In 1962 it was mismanagement.

Mr. Diefenbaker: Who created the mess in 1947?

Mr. Hees: The Liberals.

Mr. Diefenbaker: Let your conscience be your guide, I say to the hon. member for Essex East.

Mr. Pearson: Full employment.

Mr. Martin (Essex East): Mr. Speaker, since the hon. gentleman asked me a question I will be glad to give him an answer.

Some hon. Members: Sit down.

Mr. Martin (Essex East): You asked me a question. You do not want an answer.

[Mr. Diefenbaker.]

Mr. Churchill: You could not give one.

Mr. Diefenbaker: We are affected by what happens outside our country. We are affected by the international situation. We are affected by economic conditions in other countries. We brought into effect the pegging of the dollar.

I intend to deal with that for a moment. We fixed the dollar at 92.5 cents U.S.. What we did in that connection has been of substantial help to Canadian exporters and to Canadian producers competing for the home market, as well as to the Canadian tourist industry. I do not intend to quote from anybody's book today, but I am sure the hon. member concerned will know whose book I am thinking of when I point out that he described similar action in this regard and said it would be helpful. The pegging of the dollar brought added stability to the international exchange situation, and the decision to fix it was warmly welcomed by the international monetary fund whose membership comprises representatives of the free world.

Our action in pegging the dollar—oh, how it was ridiculed during the campaign as a means whereby they could describe the kind of dollar—meant that the highest records could be set in exports. That is what we said. That is what turned out to be the case. We said that at the time Canadian exports had reached all time peaks.

I mentioned tourism a moment ago. Let me give the house the figures which resulted from the pegging of the dollar. Hon. members opposite ridiculed it, of course. They said prices would rise.

Mr. Martin (Essex East): They did rise.

Mr. Diefenbaker: I will give figures showing how they did rise, not just Essex East statistics.

Here is what Alan Field, the director of the Canadian travel bureau, said in a speech in Montreal:

> I believe that with all the factors presently at work . . . that this year . . . for the first time since 1951, Americans will have spent more in Canada than Canadians have been spending on travel to the United States, and that this Canadian travel industry which last year earned for the Canadian economy more than any other export except newsprint and wheat, will show the surplus on the international balance of payments.

This is what hon. members opposite ridiculed. This is what they said would destroy Canada. They went around and threw out those myriads of documents which they did not dare stand behind; they did not dare place the name on them as having been printed by the Liberal association. They distributed them all over Canada showing how prices were going to rise. I simply point out these facts so that the record may become reasonably clear.

Do I have to say anything more as to the benefits which came as a result of our action in this respect? I could quote various newspapers across Canada. Of course, the farmers benefited—

Mr. Pearson: Before the Prime Minister leaves this interesting part of his speech, will he answer a question?

Some hon. Members: Sit down.

Mr. Pearson: Will the Prime Minister answer the question?

Mr. Diefenbaker: I have the floor.

Mr. Speaker: Order. If the hon. member has a point of order or a question of privilege to raise he may do so, or he may seek to ask a question, but I think the Leader of the Opposition will agree with me that it is not permitted for him to gratuitously take the floor. I am sorry I did not hear his first words. If he seeks to ask a question it is up to the speaker who has the floor to decide whether he will answer at the time or not and it is not subject to comment whether the answer is given then or subsequently.

Mr. Pearson: On a point of order, Mr. Speaker—

Mr. Diefenbaker: I have the floor.

Mr. Pearson: On a point of order, how can I ask for permission to ask a question without taking the floor?

Mr. Speaker: I agree with the Leader of the Opposition, that he may rise and seek permission to ask a question.

Mr. Pearson: That is what I did.

Mr. Speaker: That is not all that the Leader of the Opposition was saying. I think if he wishes to ask a question and the Prime Minister wishes to answer him, that is perfectly in order.

Mr. Pearson: On a point of order, the only words I used were "May I ask the Prime Minister a question before he leaves this part of his speech". That was all I said. Surely I am entitled to get on my feet and ask that.

Mr. Speaker: I fully agree with the Leader of the Opposition, but there was quite a bit of side comment.

Mr. Pearson: There certainly was. It was over there.

Mr. Speaker: I do not know that one should point to only one side of the floor. It comes from both sides. Again, I would ask the indulgence of the house in giving the floor to those speakers who have the floor. Everybody will have a chance. This is a long debate, and I think we could get along a lot better if we kept the extraneous comments for other occasions.

Mr. Pearson: May I now ask a question of the Prime Minister arising out of what he has just been saying?

Mr. Diefenbaker: No. I shall be back on that subject and the hon. gentleman will have another occasion. When I have finished dealing with this the hon. gentleman will be asking himself some questions.

I mentioned the benefits which came from our action, and I refrain from quoting anybody because I do not want to make anyone feel unduly embarrassed. I was about to refer to what the farmers thought of this—they, the forgotten people in the speech of the Leader of the Opposition. When we brought this in Mr. Gleave, the president of the Saskatchewan farmers' union, and Mr. T. G. Bobier of the Saskatchewan wheat pool said they were "particularly pleased with the method employed and with the further widening of the spread in the exchange rate between the Canadian and American dollar. A report in the Saskatoon *Star-Phoenix* continued:

> In addition, the further discount of 2¾ cents on the Canadian dollar would place the exporter of wheat and other grains, livestock and dairy products in a more advantageous position to compete in outside markets. The wheat farmer particularly would receive a price increase from the further 2¾ cents discount or about five cents per bushel.
>
> The two farm leaders said the wheat farmer was sure to get a price increase on exports because the prices under the international wheat agreement were set in United States funds.

And all across this country various industries dependent on export markets, including the forest industry, the clothing industry and the industrial chemical industry felt the benefit of the action which we had taken—an action which was reviled throughout the campaign.

Now I want to bring this up to date. The *Globe and Mail* of October 2 has this to say in an article by John A. Gibson. Last evening the Leader of the Opposition spoke of something being done to bring about the making of automobile parts in Canada—a solicitude which the hon. gentleman and his party did not evince during the days they were in office when they imposed such a high excise tax on automobiles. Where was the hon. member for Essex East (Mr. Martin) then? He was a member of the cabinet during those days. What does he say about this sudden solicitude for the automobile dealer? Let me read from the *Globe and Mail* of this morning this article by John A. Gibson.

He says:

Canadian truck makers are scrambling to build more of their products in Canada. They are responding to the cost pressure brought on by dollar devaluation and surcharge on imports. Domestic competition has priced some imports almost off the market. Ford Motor Co. of Canada Ltd. will build in Oakville its 850 and 950 heavy-duty tandem series of trucks, as well as heavy conventional trucks using V-6 Cummins diesel engines.

"This is a direct reflection of the surcharge situation", a spokesman said yesterday. "Ford Motor Co. added the vehicles to its line, and rather than import, we decided to build here".

Ford of Canada has also added a long-wheelbase 66-passenger school bus to the variety of venicles it produces.

General Motors of Canada Limited will build heavy-duty diesel truck models in Canada for the first time, starting with the 1963 model year. These units were previously imported.

They put these things into a speech. We bring them to reality.

Mr. Martin (Essex East): There is more unemployment now than at any time.

Mr. Fleming (Eglinton): Are you crazy? Thou art beside thyself; much learning doth make thee mad. Poor old Paul.

Mr. Diefenbaker: Mr. Speaker, I should have thought that the hon. member knew something about automobiles and trucks, but apparently he has not kept up to date either. Let me read on.

The company said its decision to build here was made last winter and stemmed from market studies. Devaluation of the dollar and the surcharge on imports reinforced the decision, a spokesman said.

GM of Canada says 10 new series incorporating 35 different types in the highway tractor and truck category will be made in Canada for the first time—

Mr. Fleming (Eglinton): Better get a doctor, Paul.

Mr. Diefenbaker: The article continues:

The company, which assembled 32,000 1962 trucks expects to make as many or more in the 1963 year . . .

Howard Dewsbury, general manager of Mack Trucks of Canada Ltd., said: "There is no doubt that Mack will be manufacturing in Canada by early 1963. We intend to build engines, transmissions and rear axles here."

Mr. Martin (Essex East): Go and ask the workers in the automobile plants what they think of this government.

Mr. Diefenbaker: As I listen to my hon. friend, I think of those words in the scriptures:

Paul, thou art beside thyself; much learning doth make thee mad.

The article continues:

Mr. Dewsbury said dollar devaluation and import surcharges were factors in the decision, as well as the desire by the company to make in Canada a great deal of the product it sells here.

He said production of heavy-duty models should start within six months. About four sites are being considered. White Motor Co. of Canada Ltd. should drive the first units of its 1500 and 4000 series away from its Brantford production facilities in December—

And I could go on. These are the things which have been brought about as a result of action by this government.

I ask, why are we criticized in this way? Because I read from a book called "Troubled Canada". It says:

The high exchange rate for the Canadian dollar made it easier for imported goods to compete successfully with goods produced in Canada; they could be sold at lower prices in Canadian dollars than would have been possible if the Canadian dollar had been at par or at a discount. It meant also that Canadian exporters received lower prices for their sales in other countries when converted into Canadian dollars than they would otherwise have done. Thus the premium on the Canadian dollar worked to the disadvantage of both our export industires and our domestic manufacturers...

There is, of course, one tangible disadvantage that accrues from the reduction in the exchange rate which should clearly be stated. A substantial reduction in the exchange rate for the Canadian dollar would be bound to have some effect—

This is the considered view of one who wrote a book—

—although not necessarily any great effect on the cost of living.

Then there is this concluding paragraph:

It is probably true to say, however, that the increased costs or losses of this nature would be far outweighed by the economic and psychological gains to be derived from increased activity in Canadian industry and a reduction in the number of people unemployed.

Mr. Pearson: They had to wait for an election campaign to do that.

Mr. Diefenbaker: My hon. friend says "wait till the election campaign". I am bringing forward the answers to the kind of false propaganda which has been spread. Some of them criticized and spoke of this dollar and used my name in that way. What did Mitchell Sharp say on December 26, 1961? He said:

The recent change in the exchange rate was all to the good and the results are already being reflected in the statistics—a slowing down in the rate of increase in imports and a further increase in exports, both of which encourage employment within Canada. Full advantage of the long delayed shift cannot be expected, however, until there is a greater degree of confidence that something like the present rate will be maintained. An investor in new manufacturing facilities has to take a long view of competitive factors at home and abroad. The government could help him by deciding and setting the exchange rate they intend to maintain.

Now, that is exactly what we did, and the authorities in the Liberal party, the economists, said that was the proper course to follow. Then when we followed it they said it was not to the benefit of Canada.

An hon. Member: Shame.

Mr. Diefenbaker: I should like now to point out something. It has been said on a number of occasions that if Canada was as prosperous as we said it was, that if the upsurge of prosperity was increasing—I will put it that way—then how could this arise? I will go back to 1947 and read what Mr. Abbott said in his broadcast of that day. He said:

Let us keep our difficulties in their right perspectives. In comparison with most of the rest of the world, we are a very fortunate people. Our trouble arises from the misfortunes of other countries, not from any basic weakness in our own economy. Our basic position is sound.

Then he states:

Our level of employment is at a maximum.

Mr. Pickersgill: So it was.

Mr. Fleming (Eglinton): And you had an exchange crisis.

Mr. Diefenbaker: I continue with the quotation:

We are producing at a high level and at a relatively low cost. This country of ours has had a notable record of achievement during and after the war—a record which has given us self-confidence and raised Canada's stature in the eyes of the world. Let us keep up that record in surmounting the present emergency, conscious of our responsibilities and confident of our great future.

That is what he said in that year. It has been said that I deluded the people of Canada by saying that the economy was on the upsurge and then immediately after the election announced that there was a crisis in international exchange.

Mr. Martin (Essex East): Something which the Prime Minister had denied during the election.

Mr. Diefenbaker: Yes, and I will deal with that matter in a moment and with great detail and it will be more than the hon. member wishes to hear. I would remind you also, Mr. Speaker, of this fact. I have not before me at the moment the quotation from Mr. Mackenzie King dealing with this matter when he said that there was no relationship between prosperity and such a matter arising suddenly. He went on to point out that it was something that had taken place in other parts of the world and that action had to be taken without delay because of the rapid depletion of the exchange reserves. With that background and also with the quotation from Mr. King I shall deal with the matter. In what Mr. King said there is no talk of mismanagement or wasted years or about getting the economy moving or about bold and imaginative this or that. This is what Mr. King said:

Matters have come up in connection with the depletion of our reserve of United States dollars. This is a very urgent matter and is to be taken up at this stage of the session as well...

No country in the world is as much dependent as Canada is upon foreign markets, and the development of this nation, as my hon. friend knows very well, lies in our having the largest possible measure of opportunity to trade with other countries of the world. The Geneva agreement is something that has not been equalled at any time in negotiations between nations... It is a great triumph; and it is right that the people of Canada, when they are discussing these emergency measures which are unpleasant, which are the last thing in the world that this government would wish to bring down at this time, should fully realize that they are temporary measures.

Then we find these words. They pin the appearance of falsehood on those who said I endeavoured to mislead Canada by saying the economy was on the upsurge. What did Mr. King say? He said this:

It is out of the prosperity that we have had in this country that this situation has arisen. If our people had not been making and spending the money they have they would not have been purchasing to the extent they have in the United States, particularly great quantities of luxuries. I will not go into that question tonight, but the government wants the people of Canada to understand that these emergency measures are temporary in character. The people must not be blind to the larger opportunities that are going to come out of the Geneva agreements as a consequence of the agreement that was reached there.

Then he says this:

As my hon. friend well knows, we had to put the emergency measures into force at the moment we did and not wait any longer because of the fact that otherwise as, in the case of the budget resolutions, all kinds of advantage would have been taken by those who wished to profiteer and those who wished to benefit from changes that were to come about. This is not an emergency session. We carefully considered that very point. The government might have had an emergency session to deal with these questions only, but we felt that the people of Canada and hon. members themselves would much prefer to begin the regular session now... This is the regular session of parliament for the balance of the present year...

Then what did Mr. Abbott say about it? He spoke of the existing prosperity and he said that there was no unemployment. This was two years after the war, when Japan and Germany had been crushed and when there was a tremendous demand in other parts of the world for our Canadian needs and requirements. There was no difficulty whatsoever to secure markets. He said this:

I have repeatedly said that I regret the necessity of placing this highly protectionist measure upon the statute books; but I think it would be folly to fail to recognize that this is an emergency. It is not a situation which has been created by Canada.

I hope once and for all that will answer the argument that you do not have foreign exchange difficulties at a time of increasing economic strength.

The Leader of the Opposition wished to ask a question at that stage.

Mr. Churchill: He has forgotten it.

Mr. Pearson: Mr. Speaker, the point I was raising has long since been passed by the Prime Minister, but perhaps he will allow me to ask it now although he refused to do so previously. He was telling us about the advantages of our foreign trade from the steps which had been taken under pressure during the election campaign. Will he explain the figures with regard to our international balance of payments for the first six months of this year?

Mr. Diefenbaker: I am glad the Leader of the Opposition asked that question. I expected he would do so as he had those figures before him when he met Governor Rasminsky.

Mr. Pearson: Mr. Speaker, I rise on a point of order. The Prime Minister obviously did not understand my question. I asked him what are the figures for our international balance of payments for the first six months of this year.

Mr. Diefenbaker: I am going to give them. I am going to give the applicable ones. I say that the Leader of the Opposition, having this information, did not interpret it except in an unfair manner. That is what I say.

Some hon. Members: Oh, oh.

An hon. Member: Answer the question.

Mr. Pearson: May I repeat my question to the Prime Minister. Obviously he did not catch it.

An hon. Member: Sit down.

Mr. Speaker: Order. While the hon. gentleman may address a question to an hon. member who has the floor and who may accept it, the matter of the nature of the answer to the question is still with the hon. member who has the floor.

Mr. Martin (Essex East): He asked for it.

Mr. Speaker: If it does not meet the wishes of the questioner, that does not raise a point of order nor does it call for a repeated question. It may call for subsequent comment.

Mr. Pearson: The Prime Minister refuses to answer.

Mr. Diefenbaker: I intend to answer the question in more detail than the hon. gentleman will wish to hear. This is one part I intend to follow somewhat carefully in my manuscript.

Some hon. Members: Oh, oh.

An hon. Member: Are you scared?

Mr. Diefenbaker: Mr. Speaker, I should not think hon. members would laugh about anybody following a manuscript after the exhibition we had yesterday in that respect.

[Mr. Churchill.]

Mr. Fleming (Eglinton): Three hours of it.

Mr. Diefenbaker: In 1949—and I start there—the question was frequently asked in the house whether or not the Canadian dollar was going to be depreciated in value and the answer was consistently that such was not necessary and indeed would be dangerous. Finally, in 1950, it became clear that the then par value of the Canadian dollar which was equal to 90 and 10/11 cents could not be maintained because of the large inflow of United States capital. It was decided not to establish a new par value but to permit market forces to determine the rate from day to day. There was to be no intervention by the use of the exchange fund other than what was necessary to maintain orderly market conditions from day to day. The decision was taken at the time, with the acquiescence of the international monetary fund, which was a body established for this purpose by the Bretton Woods agreement to which Canada adhered in 1946. This action by the fund was taken in recognition of Canada's unique circumstances. It was anticipated at the time that Canada would eventually return to a fixed exchange rate when the circumstances were right. In fact, this flexible exchange system lasted for almost 12 years, and for most of the period the Canadian dollar was at a premium over the U.S. dollar owing to the large inflow of foreign capital into Canada.

During the early 1950's there was an exceptional demand in the world for Canadian basic materials, and there was heavy investment in Canada's resource industries giving rise to inflationary pressure. The large inflows of capital and the matching import of goods and services from abroad were a reflection of these demands and helped to keep inflationary pressures within reasonable bounds.

In subsequent years, Mr. Speaker, the world economic environment changed; western Europe and Japan were reconstructed and shortages disappeared. World demand for Canadian resources exports grew less rapidly; the rate of capital investment in these industries declined and unemployment, both of men and capital equipment increased. Under these circumstances one would normally have expected the exchange rate to have declined and Canada's deficit on current international transactions, that is on the export and import of goods and services, to have shrunk, thereby encouraging a fuller utilization of Canadian production capacity. In fact, there were countervailing pressures due to the continuing large flow of capital into Canada which tended to maintain the premium on the Canadian dollar.

As a result, in 1960 and 1961 an important part of the government's expansionary economic program was to reduce the large deficit in current international transactions by a series of steps designed to facilitate an orderly movement of the exchange rate to a level more appropriate to the basic economic situation. These steps included measures to ensure a larger supply of Canadian capital and reasonable rates of interest to Canadian borrowers. As this was achieved, the economic decisions of private individuals and businesses based upon the market would bring about an increase in Canadian production and employment.

These measures to facilitate an orderly movement of the exchange rate hinged on efforts to improve the availability of Canadian capital at reasonable interest rates and to reduce the incentive for Canadians to seek capital abroad. None of these measures interfered with the free movement of capital over which no controls were exercised.

In the budget of June 1961 it was pointed out that since these measures might take some time to have their full effect, the resources of the exchange fund would be used if necessary to offset unwarranted upward pressures on the exchange rate. As it turned out, such use of the exchange fund was not necessary and the operations of the fund continued to be directed towards moderating market movements in the rate, not towards producing such movements.

The achievement of a better exchange rate was only part of the government's policy of economic expansion and recovery in 1960 and 1961. It was our view then, as it is now, that the key to Canadian success in the world economy must lie in improving the productivity and competitiveness of the Canadian economy. We undertook programs to increase productivity, to encourage research, to expand and improve technical training, to encourage investment and to stimulate exports. We continue to pursue these programs and purposes.

Our efforts to achieve a more satisfactory rate of exchange were successful and during 1961 substantial progress was made in reducing our deficit on current international payments. That year it declined to $982 million, the first time for six years that it was below a billion, and we achieved our first surplus of commodity exports over commodity imports for nine years. I should like to emphasize that. This surplus amounted to $173 million.

It is against this background that the exchange markets must be viewed. From June 1961 at the time of the budget until April 1962, the market was engaged in a process of testing the exchange rate. This was a new situation for those carrying on exchange transactions, either directly or in connection with trade or investments. For the first time in almost ten years the foreign exchange value of the Canadian dollar was below that of the United States dollar, and for a considerable period the market was trying to make judgments as to where the rate was likely to settle.

The day after the June 1961 budget, the Canadian dollar opened in some European markets at a 4 or 5 per cent discount on the United States dollar. Almost immediately it moved to about a 3 per cent discount, where it remained until October. Throughout those three months the level of exchange reserves also remained relatively stable, somewhere around $1,900 million which was about half way between the levels of $1,800 million and $2,000 million which had prevailed over most of the preceding decade.

In October the market appeared to take the view that the exchange rate for the Canadian dollar would likely settle about equal to the U.S. dollar, perhaps on the old but mistaken notion that two currencies with the same name ought to have the same price. This market view was backed up by those engaged in international trade, who delayed the payment of bills or opened up the cashing of receipts in accordance with this expectation. As a result the exchange fund accumulated $186 million, U.S., and at the end of October the total holdings amounted to $2,111 million which was above the top end of the range over which the reserve had moved during the preceding decade. During November and December 1961 and the early months of 1962, the exchange rate of the Canadian dollar moved downward and it reached a 5 per cent discount on the U.S. dollar in February. During this period the authorities continued to maintain orderly markets and exchange reserves declined moderately by $32 million in November, by $23 million in December and then, increasingly, by $134 million in January and $175 million in February as the market lags and leads in the timing of trade settlements undertaken in the preceding October were reversed. In other words, those who had anticipated a par rate in October and bought or sold their exchange to offset future trade transactions on the basis of this expectation, had now to recognize that the market view was that the Canadian dollar would remain below par and they readjusted their positions in a manner that reduced our reserves.

At the end of February our exchange holdings totalled $1,747 million, not significantly below the range of amounts that had been in the exchange reserves over the preceding decade. During the month of March

the exchange market was steady. The rate remained at about a 5 per cent discount on the U.S. dollar and the operations of the exchange fund resulted in only a small decline in the reserves.

This account I have given you indicates that the government's objective of helping to bring about an orderly downward movement in the exchange rate had largely been achieved by March and that the rate itself was responding to market forces. We were, in other words, getting close to a realistic rate.

In April, and this was about the time the election campaign started, some uncertainty developed in the exchange market, and the attacks of the opposition had effected this. There was evidence of speculation and some doubts about where the exchange rate was likely to settle down. This caused the government to consider, at the end of April, whether or not a return to a par value would be desirable. It had been pointed out in the budget on April 10, and I quote:

> It is extremely difficult to devise and pursue an exchange rate policy that can be regarded as completely satisfactory from every point of view.

It must be recognized, Mr. Speaker, that Canada's international economic transactions are more complicated and extensive than those of almost any other country in the world in proportion to its size. The nature and extent of our foreign trade and of the movements of capital to and from Canada, and Canada's proximity to New York, the world's largest capital market, creates special problems in maintaining a suitable exchange rate.

The 1950 decision to let the rate be determined by market forces had been a departure from the standard practice of other countries. We knew that a return to a fixed rate would be warmly welcomed by many people in Canada, and by other countries and other financial markets. In these circumstances, and to clear up uncertainties which had developed during April, the government decided at the beginning of May that the time had come to establish a legal par value for the Canadian dollar and give Canadians engaged in international trade the security of a fixed rate of exchange. The decision, taken and announced on May 2, was concurred in under the Bretton Woods agreement by the international monetary fund which welcomed it as a realistic rate.

Now, I have referred at that point to the effects of undermining faith and confidence by criticism, in particular criticism that was not justified.

I also point out that during the months of January, February, March, April and May stock values fell by more than $100 billion on the United States exchanges, and there was also a very serious fall in the middle of June. At that time, according to what I learned from those who are acquainted with these things, many people were in a position of having to dispose of their Canadian assets in order to meet the situation that came to them in consequence of that tremendous fall in the value of security stocks in New York. A great change took place again with renewed force in the month of June.

Mr. Byrne: Mr. Speaker, would the Prime Minister permit a question?

Mr. Pearson: Of course not.

Mr. Diefenbaker: Just wait until I sit down.

Mr. Byrne: The question is, Mr. Speaker—

Mr. Harkness: He said no question.

Mr. Pearson: Let him read his brief.

Mr. Diefenbaker: I quote now an extract from Canadian Business Service Limited which is recognized as a publication that is careful in its contents. It deals with the exchange position in its issue of June 29, and states:

> The action taken will, in our opinion, correct the run on the Canadian dollar. It has always been a strong currency and the critical situation which developed so suddenly was precipitated by the violence of the pre-election debate about the economic, fiscal and monetary policy of Canada. While the present and preceding regimes have done many things of which most of us disapprove, many constructive steps have also been taken and nothing has been done that has impaired the strength of Canada. Latest reports show our gross national product to be running 8.6 per cent ahead of last year—certainly not an indication of impending doom—with an over-all increase of 7 per cent indicated for 1962.
>
> Criticism of the Conservative regime was justified but much of this went far beyond the bounds of reason and helped to add fuel to the flames. A run on a country's currency is much like a run on a bank. It feeds on rumours and if unchecked even the soundest currency—or bank—can be seriously embarrassed.
>
> We would expect that exchange reserve figures will show a considerable improvement fairly quickly. This, however, is something that is a matter of conjecture. Once foreign investors are satisfied with the future policy of the Canadian government we may see an upward push on the Canadian dollar that will be quite as embarrassing as the recent downward pressure. This, however, is a matter of pure conjecture—except that we continue of the opinion that the Canadian dollar is a strong currency.

Mr. Martin (Essex East): Who wrote that?

Mr. Diefenbaker: I mention that simply because it is from an objective source, and it is in keeping with what we so often said during the course of the campaign—criticize fairly but for goodness sake do not base your criticism in such a way that you ruin the

credit of Canada. The attitude of the opposition is that "we shall rule or, if we do not succeed, we care not for the consequences."

The establishment of the new par value resulted in a noticeable firming on the exchange market during most of May, at a time when, on every platform across the country, Canada was being downgraded, faith was being undermined and confidence lessened.

The then minister of finance, now Minister of Justice, made an announcement on June 1 which showed the extent of the situation.

He said that in the late days of May there was a period of uncertainty in world financial markets. That was at a time when stock prices fell sharply on the New York exchange, and this had repercussions in the financial markets all over the world. Fortunately these disturbances were not prolonged but the effect on Canada was to cause uncertainty and instability in our financial markets, including the exchange market, and as a result we encountered an unsettled exchange market which was having to be supported by sales from our reserves.

I shall now give a summary of some figures in that connection. This is not to be a precedent in any way, but in view of the nature of the attack on the integrity of the government, and the need of placing the position in general before the Canadian people, I intend to go into some detail. During the first week of June the weakness in the exchange market continued. I consulted the then minister of finance on the matter and on June 10 he issued an official statement making it very clear that the government could and would maintain the Canadian dollar at the 92½ cents exchange rate. The situation was carefully watched during the next few days, and up to the middle of the week preceding the election the minister of finance expected, and I expected, that once the campaign was over, with all its controversy about the state of the Canadian economy, the exchange situation would settle down.

What are the facts in regard to this matter? I made a statement to the Canadian people on June 24, which I started off this way:

> There has been developing an increasing degree of uncertainty and instability in the financial markets which has intenstified in the last few days to a point requiring immediate emergent action.

I underline those words. I continue:

> Dealings in the exchange markets have been exceptionally large.
>
> These developments have been such that a comprehensive program has become necessary to relieve the pressure on the Canadian dollar in the exchange field, to bring about greater stability in our international transactions and to strengthen our exchange reserves.

What was the situation in this regard? It has been said that we concealed the facts, but I answer those who say that by pointing out that the total amount of exchange—again I emphasize this is not going to be a precedent or a procedure—that the total amount of exchange delivered to the market from the sales of foreign exchange, from June 1 to June 14, was $128 million.

At that time the attacks became more overwhelming in their nature and more irresponsible in their denunciation. I can recall one of the big industrialists of Canada, the Hon. Mr. Winters, when he spoke at Truro on June 8 saying "Canada is at the brink of bankruptcy." That was the kind of statements which were coming from one not directly in politics.

Mr. Fulton: Who is the traitor now?

Mr. Diefenbaker: The position he took had a terrible effect. People began to say, "I wonder whether what is being said is well founded". Fear begets fear; confidence is undermined.

It is only a few days ago that I met with Sir Winston Churchill. The one message that he had as we talked together was, "The greatest thing we have to fear is fear".

Mr. Martin (Essex East): It was Mr. Roosevelt who said that.

Some hon. Members: Oh, oh.

Mr. Pearson: You are 20 years out.

Mr. Diefenbaker: The ribald laughter indicates that they desire to create fear. It was within a few days of the election that things started to worsen. I mentioned what the figures were between June 1 and 14. The election was on the 18th. The 15th was a Friday. Then there was an acceleration. The amount of such deliveries which reduced our exchange reserves from the 15th to the 22nd was $270 million. When I told the people of Canada that it had worsened in the last few days, that statement was true. Between the 25th and the 29th there was a further amount of $115 million including deliveries on contract made before the 25th.

Mr. Martin (Essex East): What about the broadcast of June 14?

Mr. Pearson: Not a word then.

Mr. Diefenbaker: I want to point out this fact, that with my knowledge the governor of the Bank of Canada discussed this matter fully—I have a memorandum of what took place—

Mr. Pearson: So have I.

Mr. Diefenbaker: —with the Leader of the Opposition, who had the facts in consequence of that interview.

Mr. Pearson: After the election.

Mr. Diefenbaker: Since that date we brought about this change. As I said in these words in my television speech, "It has intensified in the last few days". The intensification started in earnest on the 15th. The 16th was a Saturday; the 17th a Sunday. These figures tell their story and answer once and for all the allegation that we had anything to conceal during the month of June that we did not place before the Canadian people.

Mr. Pearson: Mr. Speaker, would the Prime Minister permit a question?

Mr. Churchill: The Liberal party is disgraced.

Some hon. Members: Oh, oh.

Mr. Pearson: If the situation was as described by the Prime Minister, why did he not mention any aspect of it in his broadcast to the Canadian people on June 14?

Mr. Diefenbaker: Because, as I have pointed out, the situation was not serious then.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Hon. members opposite say oh, oh, and I throw back to the Leader of the Opposition this, that as a result of the attitude of the opposition during the days of an election, an opposition which did not care what the consequences were in undermining Canada, these things were accelerated.

Mr. Pearson: Oh, how cheap can you get. You cannot get lower than that.

Mr. Diefenbaker: What did the hon. gentleman say?

An hon. Member: Why don't you tell us the truth?

Mr. Fleming (Eglinton): He said, "You cannot get lower than that".

Mr. Diefenbaker: I am not going to enter into any argument with regard to altitude with the hon. gentleman.

Mr. Pearson: I wouldn't.

An hon. Member: Pearson said that.

Mr. Diefenbaker: Oh, I am glad to hear where it came from, because that is indicative of the kind of thing he has been indulging in all through the summer—

Some hon. Members: Shame.

Mr. Diefenbaker: —vilifying and ridiculing. I thank him again, because people across Canada are beginning to wonder, "Where is that man we used to know?" What has happened since? There were other transactions during these periods which affected the fund. I cite these figures to illustrate the magnitude of the sales that were made in the market to sustain our exchange rate. During July the reserves increased by $306 million, $60 million of which resulted from the advance payment by the government of France on post-war credits extended by Canada to that country. During August the increase in our reserves amounted to $216 million.

Mr. Speaker, I think I have covered the situation in particular, and I summarize it briefly as follows. The action taken has now been placed before the house and the country. Those figures, as I say, would under ordinary circumstances not be revealed; they are revealed in the totals at the end of the month. But under the circumstances, so the Canadian people can understand fully who was telling the truth, those figures have been placed before the House of Commons and the people as a whole.

I have mentioned that progress has been satisfactory and encouraging since the program was announced. Our primary task now is to restore confidence. This is being achieved. Reserves have improved steadily since the measures were taken. As another mark of returning confidence, the Minister of Finance was able to announce on September 13 that negotiations had been completed for the sale of a $250 million long term, government of Canada bond issue in the United States to private investors at 5 per cent. The proceeds of this issue, which will come in over the next several months, will be used to reinforce Canada's official exchange reserves. It is our view that with Canada's growing volume of trade, the very large volume of investment and the fixed exchange rate, it is essential to increase our holdings of foreign exchange reserves at levels higher than the last decade. The placing of this government bond issue in New York makes clear to Canadians and foreign investors alike that Canada welcomes the participation of outside capital in our economic development. We intend to continue to make Canada hospitable to investment even though we intend to press forward to encourage Canadians to invest more and more in the ownership of their own industries and resources. The success in obtaining this long term loan from private investors is a solid demonstration of Canada's ability to attract capital, and clear evidence of our high credit standing abroad.

In view of the long term loan, the Minister of Finance has announced that $250 million out of $400 million stand-by credit obtained in June from the export-import bank of Washington had been terminated at the request of the Canadian government. Since June there have been improvements in our balance of payments, production and employment.

I place before the house the general financial picture, which has improved since June.

Stock market prices have increased, bond markets have strengthened and the general public has increased substantially its holdings of long term, government of Canada bonds. There have been the domestic issues of government securities, one for $200 million and one $150 million, in July and September respectively. There have been some declines in interest rates, particularly in the short term market. In recognition of the decline in short term market interest rates and the rise in the exchange reserves, the bank rate was reduced on September 7 from 6 per cent to 5½ per cent. We have, I think, good reason to be pleased with the results achieved so far. There is every expectation that the improvement in our external financial position will continue. At the same time we are pressing ahead to find solutions to our longer terms problems in order to be less dependent in future on securing large imports of capital to make up for the deficit in our current international account. Canada's success in dealing with this problem over the years will also improve the production and employment situation.

I intended to deal as well with the common market because that subject was dealt with at great length by the Leader of the Opposition (Mr. Pearson). I dislike speaking at this length, but having to follow the hon. gentleman I think I should defer making a statement on the common market.

The stand that I took in London—and I summarize—was a stand in keeping with the tradition of the leaders of this nation in the past. Recognizing the need of preserving the commonwealth and strengthening it, we were called together to give our views as to the political and economic effects of Britain's entry into the common market. Those views were given calmly, quietly, and, as was stated by Mr. Menzies, without rancour in any way. We said to Britain: This commonwealth means much to us because, after all, it was a concept —and the Conservative party knows this—of Macdonald in 1864. He saw the picture of the development of the commonwealth. He foresaw the day when Canada and Australia would be joined with what was then the motherland on behalf of the things of freedom which have characterized this commonwealth throughout the years.

I went there. I presented Canada's viewpoint. I presented it on behalf of all Canada. We were asked to give our opinions as to what effect this move would have, what changes would be made, what safeguards should Britain obtain. The Prime Minister of the United Kingdom said: I want your opinions; I want to know; it is not a question of choosing between the commonwealth and the common market; we want to know what effect all this will have; we believe we shall be able to bring about a new concept in Europe but at the same time we have given an assurance, and we stand by it, that in entering Europe we shall safeguard the necessary interests of the commonwealth; we shall not weaken its fabric; we shall not do anything which in any way will lessen its significance.

I presented Canada's viewpoint and I shall have an opportunity very soon to go into that question in detail since, after all, it was this party, the Conservative party, which during the years has taken its stand believing in the strength of the commonwealth. Speaking before that group of prime ministers I mentioned Canada's essential needs, making it clear at all times that there was no veto, will be no veto and dare be no veto under the commonwealth system. Was I alone? There were 13 others with me who took the same viewpoint. All of them expressed that viewpoint and all were in agreement in the communique which indicates the degree to which this family of nations has learned to bring together the various colours and religions of man and, through discussion and consultation, arrive at conclusions beneficial to all.

I make it clear that I shall be dealing with this subject at greater length at a very early opportunity, I hope, should the house vote confidence in this government.

What is our plan for the future? We have set forth in general our plan in the speech from the throne. The objective is development, expansion, growth, the encouragement of trade, the production of jobs, the acceleration of industry, the maintenance of agriculture, the giving to the people of Canada a degree of assurance such as no other government ever did in the same period. Moreover, we shall continue to maintain the Canadian nationality—to maintain Canada—not forgetting the least of the people of this country in social security measures, the increase of which in five years has more than doubled anything which has ever taken place before. I hear the opposition saying that they are coming out in favour of health insurance. They are in favour of it. Well, they have held that view for almost a generation.

Mr. Fulton: Longer than that.

An hon. Member: Since 1919.

Mr. Diefenbaker: We believe we should wait until the economic situation permits us to go further forward and in any event until a report is received from the royal commission on this subject so as to avoid the pitfalls which the members of the opposition found in the application of a hastily constructed health plan within my own province.

We believe the expansion of social security can only come out of production. We believe our duty now is to increase production, raise more and more our export aims, aspirations and achievements and build for a Canada stronger economically than ever before.

The official opposition intends to vote against us, they say. Well, we say we are going to bring in an economic board. They have asked for that. Now, when we bring it in, they announce they are going to vote against it. Again, the proposed Atlantic development board will advise on production and promote the development of the Atlantic region where the geographical situation requires measures which are not needed elsewhere. The board will deal with such matters as capital construction, including a survey of the tidal power of the eastern end of the bay of Fundy. The opposition has advocated this kind of thing for the maritimes. The position, now, is that they are going to vote against it. These are the things of which politics is made.

I cannot now go into detail about what we have done in northern development. I could deal with the tremendous expansion of the north today, with the discoveries of mineral ores, including 20 million tons of iron ore, the greatest mine in the world, or with the opening up of northern areas which previously were never expected to be accessible to development. I could speak of the assistance which has been given across this country in projects such as the Red River scheme, the Saskatchewan dam, and, yes, the Chignecto causeway—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): It is the Canso causeway and the Chignecto canal.

Mr. Diefenbaker: It does not take very much to cause frivolity. I was speaking of the Prince Edward Island causeway and inadvertently mentioned another, but they can still jeer if they want to. We brought about an oil policy that has expanded the oil exports of Canada as never before. We are now providing for the export of power as a policy, which in the days ahead will do much to bring about a fair and reasonable equalization in our international payments situation. All of these things we have done. We face great economic problems and Canada always will. I say to the members of this house, why does the opposition now say that they are going to vote no confidence? Are we going to stop the progress that is taking place, the expansion and the development, by having an election now? I do not mind elections.

Mr. Martin (Essex East): Well, let us have one right now.

[Mr. Diefenbaker.]

Mr. Diefenbaker: Mr. Speaker, I am so glad reference was made to that, because if I had not had a helper or an interlocutor I would have forgotten it. I think there has been a big change in four years. Let us recall how at the end of January 1958 they came in and said: "Now we want an election". Then they produced that supernatural amendment setting out all our shortcomings, which ended up by saying: "Please give us back our jobs". There has been a big change in four years. Whenever the election comes we will be dealing with it. In the meantime, I suggest that this house has a responsibility. We were elected to make progress. Let us unite together in faith and in determination to place Canada above the rank of petty politics. Let the national interest be the guide of the conscience of those who vote on this question. I have tried to place the picture before you as I see it. We intend to place our measures as rapidly as it is possible to do so before the house. We intend to delay in no way in meeting the exigencies of the occasion. We intend to pursue the course that we pursued in 1957, bringing before the house those things which we believe are right, and asking for the support of the house.

Now, sir, I do not mind those who want to put on their election paint, but I think our responsibility at the moment is to do our part to have the legislative program passed. Let us have an opportunity of bringing in a budget. Let us keep Canada moving as it is moving, and as all the documents say it is. That is my message to this house today.

Mr. Robert N. Thompson (Red Deer): Mr. Speaker, first of all I would like to extend my congratulations to you on your election to the high office which you now hold in our midst. I know full well that, as you have already started, you will continue to carry on the traditions of the office of Speaker in our house. I wish also to extend my congratulations to the mover of the throne speech, the hon. member for Waterloo South (Mr. Chaplin), and to the seconder, the hon member for Nicolet-Yamaska (Mr. Vincent). In giving their maiden speeches in the house they spoke well, and I sincerely commend them for their efforts. It is my impression that I heard considerably more common sense from these gentlemen than I have heard in the speeches since then. The people of Canada are getting tired of the continual "yak-yak" of politicians who are more concerned with perpetuating an outworn political machine than they are in caring for the affairs of this nation and its people in a businesslike and efficient manner.

As a new member, I do want to express my appreciation for the friendly attitude shown and reception that has been given by

different members old and new from all corners of the house. This does not apply to the members themselves alone; it also applies to their wives and the parliamentary staff. Certainly they have made us all feel at home in our capital city and on capital hill. Again, I am much more impressed by the friendliness and the hospitalities of the members than I am by some of their political tactics and jargons, as we have watched them for the last several days. It has reminded me of a neighbour farmer of mine who one day last year, when the fields were very parched, stood with me and looked out across these parched fields, and then up at the stormy clouds above, and said: "Lots of thunder and wind, no rain". There has been a deluge of words but a desert of ideas.

Most people are interested in debates and fights in their proper place, but surely the people of this country will resent to know that any portion of the tremendous sum of money which is required to maintain parliament is being used as a personal tilting ground for a couple of their fellow citizens. Personally, speaking for some colleagues and myself, we are here to do business, to come to grips with the internal problems of Canada so that she can be a strong voice in a troubled world. We are not here to waste time on trivialities. So much of what has been said in the last two days smacks of the beating of party drums and all the while the world crumbles around our feet. Mr. Speaker, we have had before us a spectacle of a couple of household watchdogs fighting about who is going to protect the house, when all the while the house is in flames. Action is what is needed.

Before I move an amendment to the amendment of the leader of the official opposition (Mr. Pearson), may I congratulate the government on the speech from the throne, for its literary content, for its vagueness and for its generality. In fact, it was a masterful piece of window dressing designed to cover over its inadequacies and omissions. It is an admission of failure. Much of it is merely a rehash of the 1957 and 1958 election platforms, plus every speech from the throne since. If the government had carried out its previous election promises plus the promises and assurances contained in speeches from the throne since 1957, 80 per cent of this speech from the throne could have been left out. It would have been redundant. It is an admission by the government that it expects to be eliminated before it gets an opportunity to formulate another speech from the throne.

Yes, it is all too obvious also that the leader of the official opposition is determined to cut the life of this parliament as short as possible. He has stated that it is his first duty to this parliament to oppose the government. I disagree with the hon. member. I was elected and I believe it is my duty to represent the citizens of my constituency and at the same time, as a Canadian, to preserve the best interests of my country. However, I must congratulate the leader of the official opposition and the Prime Minister as well for a most eloquent delivery. In fact, I do not think I have ever heard either of them in better oratorical form. However, I must say that I am unimpressed with what has been said. It is, in fact, depressing.

I am glad that the people of Canada did not have the opportunity to listen to this debate on the speech from the throne by television. If they had, they might have thought they had tuned in Havana by mistake where they are accustomed to listening to tirades of three hours and four hours in length. It might be a good idea for the Minister of National Revenue (Mr. Flemming) to explore the possibility of getting a sponsor for the television production of the proceedings in parliament. This is a great show. It is a frightful charge that this should be so in this democratic institution whose purpose is supposed to be to grapple with the problems that could spell life or death for this country. If I really could have confidence in the words of the leader of the official opposition, it might be easier to sympathize with him. To the public he shouts "We must have an election now". To his own party members he says something else. At least he is quoted in *La Femme Liberale*, Vol. XVI, No. 3, September, 1962 as follows, and I quote a transliteration from the French:

> When we meet in Quebec city—
>
> That is for the national congress.
>
> —parliament will then be in session for one month. What will then be the situation? We will probably have a more enlightening perspective of the future.

It is no wonder that the people of Canada are confused. That is why I am convinced that, if we were to turn the two old line parties loose in another election at this time, it would only add chaos to confusion. Given a few more months for the people of this nation to listen to more of what we have heard yesterday and so far today, perhaps it would not take too long for the Canadian public to understand that they have no hope whatsoever in either of the old line parties. I think it might be a good thing if they added the word "Columbus" to their names. At least this honourable gentleman of centuries past would give some dignity to the names they now carry. He is defined as the man who started out without knowing where he

was going and who, when he got there, did not know where he had arrived; and he did it all on borrowed money.

According to the press of last Friday the leader of the official opposition, when referring to my own remarks in regard to a vote on non-confidence in the government, is reported to have said this, "I find it very hard to keep up with Social Credit". He found it very difficult to keep up in Quebec in the last election; and in another election he is going to find it even harder to keep up with Social Credit not only in Quebec but across the whole of the country.

I am reminded of an incident that happened a number of years ago when I was keeping a speaking engagement down in the southern states. Having flown to one of the larger cities, I was obliged to get a car in order to go on to the smaller town in which I had my speaking engagement. The hour was getting late and as I was driving along the road I was not sure just where I was. I therefore stopped and spoke with a little coloured fellow. Most of the people down in that state are coloured folk. Not thinking too much I said to him, "Sonny, can you tell me where I am?". The little fellow looked at me quizzically and finally he put a little black finger up at me and he said, "There you is, mister". I was chagrined at my display of ignorance in the form of the question. I went on further and this time I met a coloured man. Carefully I asked him how I could get from where I was to where I was going. He said, "That is easy. All you have got to do is go down the road about a mile, then you turn to the right. Oh, that road is closed. You can't go there. Then you got to go back a mile and turn to the left." Then he stopped and said, "You can't go by that road either". Then he looked at me with that same quizzical look the little fellow had a few moments previously and he said, "I don't think you can get to where you is going from where you is".

I think that is exactly the position that faces our dear old political parties. Canada desperately needs leadership and not the kind of cock and bull stuff that we have had in this sacred chamber yesterday and today. Let us get down to facing the facts. Let us remember that democracy means not only representative government but also responsible government. If there was ever a time in the history of our nation when this house needed to show responsibility, it is now. Our party is determined to face up to the needs of Canada and Canadians above political opportunism.

Canada potentially stands in a unique and enviable position. Her material resources are vast and diversified, and their development is still in the stages of infancy. Few, if any, other nations have a material development potential equal to ours. If what we have heard today about the wonderful state of our economy is true, then I guess all is well. This is not what the people of Canada understand today. This is what they did not understand when they came to vote on June 18. Otherwise the election results would have been different from what they were. I should like to say that surely there is no question about the quality and character of our human resources. This is true both at home and abroad. Through my many years of experience overseas I have come to see first hand the fact that Canadians have set an example of friendly confidence all over the world. Our Canadian people have established an enviable reputation for their enterprise, integrity and friendliness. With the rich heritage and cultures we have from our two mother nations across the sea, plus the addition of the many other nations and peoples down through the years that we have had in the new Canadians, we have set a record of confident and efficient achievement which speaks for itself. There are few parallels in this turbulent world of ours. This combination of material and human resources can make possible a higher standard of living and a greater degree of economic stability and progress than we have ever had previously.

This is the challenge which we face today. Let us face up to it and come to grips with these things which are important. This is the challenge before our generation, namely to prove that democracy can meet the needs and solve the problems of people collectively and individually. This is important not only at home but as an example abroad. I refer to a way of life which will provide for all the opportunity to meet the challenge and help to build for mankind a peaceful way of life that will give some assurance of its continuation in an age when it is possible to destroy everything, including ourselves.

It is the record of progress and also a fact of history that a majority has not always been right, and that if it had not been for the determination and the conviction of minority groups struggling for the survival of those things they believed were right, we would never have made the progress we have today.

I would also remind you, Mr. Speaker, that all such progress has been made in the face of determined opposition and even bitter prejudice as tradition has tried to hang on to the things of the past. That is not to say that all in the past is wrong, but that too often we support outworn ideas and institutions even when they fail to meet the need which

justified their coming into existence originally. I would also remind you that if the two old parties were satisfactorily meeting our needs today, there would be no need for the minority parties which are in this house now. The fact that in the last election more than one quarter of the Canadian electorate expressed their dissatisfaction with the old line political approach is ample evidence of this. Politically Canada, since confederation, has been governed alternatively by one or other of the two old line parties. They must, therefore, accept full responsibility for the problems that we do face today and which, I am convinced, are still with us, otherwise we could get rid of this word "austerity" and have prosperity. These social, economic and financial problems could and should have been prevented by effective action on the part of the parties responsible for the government of the country.

In the grim days of the great depression of the late twenties, the Canadian people elected a Conservative government after the Liberals had proven themselves unable to cope with the issues of the day. The Conservatives, and I remember this very well as a youngster, maintained that they had the answers to the problem of poverty in the midst of plenty. Within five years that Conservative government failed miserably and, as a result, in 1935 they were swept out of office and a Liberal government was given the opportunity to prove that it could succeed where the Conservatives had failed.

I was a young school teacher at this time and vitally interested in what was taking place, not only because my own welfare was involved but because many of my buddies, who had not had the opportunity of getting the little education I had, stood in the soup kitchens and in the bread lines or rode the freight cars across the country seeking an opportunity to work and earn an honest living. It soon became evident to us, however, that while the party in power had changed, everything else continued as before. The administration of the late prime minister Mackenzie King was no better than the administration of the late prime minister R. B. Bennett when it came to facing the need for providing the necessary reforms which would correct the obvious defects and strengthen the economy which gave us the bitter depression that we were experiencing in the midst of potential abundance.

Then came world war II. Domestic issues were forced aside. I never cease to marvel at the fact that we could meet our needs and provide the positive administration necessary in times of war which we could not do to meet our needs in times of peace. Nothing was too good for us young men who were needed to fight the battle against the forces of dictatorship which threatened to engulf the world. It was a different story from the one we knew when we had cried for the opportunity to fight against the enemies of unemployment, hunger and privation.

Following the war the Canadian economy experienced a period of great buoyancy and advancement due to, on the one hand, a large amount of accumulated wartime savings which had not been matched with available consumer goods and, on the other hand, to the large scale industrial capital expansion which had been of necessity, neglected during the war years. By the middle of the fifties the lag in industrial output had been caught up with and had become greater than the consumer buying power. Thus, the post-war boom began to wear out. Once again the cycle of industrial retrenchment and tight money came into effect and with them the old problems of the thirties. Inventories built up and the wheels of industry slowed down, in spite of excessive credit buying by the Canadian public which became the order of the day. It became apparent to the Canadian people that the Liberals had no effective program to prevent another cycle of recession.

Meanwhile, the Conservatives, now from the benches of the opposition, many of the same gentlemen who are here today, loudly proclaimed their criticisms of the government in their failure to deal effectively with the nation's economic ills. They acclaimed from the house tops that they had the answers and, if given the opportunity to form a government, could without any shadow of a doubt solve these problems. Thus, in 1957 the people of Canada decided to give them another chance, first as a minority government; then in 1958 they were given the greatest majority any party ever had in Canada's history.

What has happened in the five intervening years since 1958 constitutes one of the most dismal failures of a public administration in Canadian history in connection with its obligations and responsibilities for solving the major economic and social problems that Canada faced in 1957. Is it not strange that while on the benches of the opposition the Conservatives had all the answers to the problem of unemployment? It will be recalled that before their election they claimed to have all the answers to the deficits of international trade. In matters of external dealings alone in these five years our deficits have gone up approximately $7 billion, while the total increase in debt of government at all levels, including consumer debt and mortgage debt, has increased by nearly $19 billion. The total supply of all the

money in the country is $4 billion short of being able to match the increase in our debt in the last five years at all levels.

This total debt of Canadians stands at approximately $34 billion, on which we pay more than $2.5 million of interest every day of our lives. Even more alarming is the rapidly increasing cost of government at all levels, which tells us that under present policies this debt load will continue to increase, regardless of which of the two old-line parties governs the country. In fact, it will increase faster if we go back to a Liberal government because of the promises we heard about, the implementation of which would add up, as we have been told, to more than a billion dollars in extra spending.

What causes the concern today, gentlemen, is this: If you add up all the money Canadians earn and add up all the money that governments in Canada spend, approximately 45 cents out of every dollar is paid by the people who earn those dollars back to the governments which render them their governmental services. The record of history and economics tells us that no empire or nation in the past has survived as a free society when more than half of the income of its people is required to meet the cost of its government. Facts and common sense tell us we cannot continue as we are going if we are to maintain the free way of life. It is impossible and futile to believe that the perpetuation of the policies which created and promoted the growth of this malignancy will cure the condition. It was the Greek philosopher Demosthenes who asked: "Are you so unintelligent, men of Athens, as to hope that the same policy that has brought our state from success to failure will raise us from failure to success?"

This debt system is today destroying the very basis of our democratic institution and the initiative and enterprise of our people. Most definitely it has weakened the confidence of Canadians in their own economy to the extent that we are today content to invest our savings in the debt of our deficit financing rather than in the development of the resources which we have in our country. More than half of all the money in Canada is tied up in such "dead" investments as savings accounts in our banks or trust companies and debt investments in Canada.

If we had the confidence that we should have as Canadians in our own Canadian economy, then our savings would be put to work developing our country and its resources in order that we might have a higher standard of living. Money is the only medium to which our production can be distributed, that is money including currency and credit.

As our economy grows, there is need for a corresponding increase in the amount of money. However, the tight money policies of this present austerity program, along with the unreasonably high interest rates which we are paying on everything on which we have to pay interest, will only perpetuate an ever-worsening situation. The pre-requisite of a balanced economy is the supply of purchasing power sufficient to distribute production. This we do not have. As a result, our economy is depressed and progress prohibited.

I realize that this house has many hon. members with long years of political experience. There are likewise those with great academic achievements in the field of economics. I make no claim to either of these qualifications. However, perhaps as a continuing student in the graduate college of practical economics and sound business, I am able to give some practical advice. One of the first lessons I myself learned in the hard cold facts of this school I am talking about can be summed up in this way—if your outgo is more than your income then your upkeep will be your downfall. How can you ever eliminate debt through the incurrence of more debt?

I commend the government for saying the budget must be balanced. It was the chief criticism of the speech from the throne by the aspiring member to the vacant chair across the house, who criticized the government for aiming towards a balanced budget. If prosperity depends upon plunging this country into further debt, if a continued load of debt is our only destiny, then it would be better to throw in the towel now to the proponents of statesmen and let each individual become a bondservant of the government, rather than prolong the agony of a slow death. However, I am convinced that this need not and shall not be our destiny.

There is a way of progress and we must adopt it ere it is too late a way which will let every man have security without debt and still have the guarantee of his personal liberty and freedom. This way is social credit. When we talk about a balanced budget I wonder what right the government has to state this as its objective when, during the last five years, it has created greater deficits than were created in any similar period in the history of our country. The debt increase in Canada from the period January 1, 1957 to June 30, 1962 totals $18,990 million. Our overseas debt is $6,988 million. Federal government direct and guaranteed securities add up to $3,060 million. Provincial direct and indirect debt amounts to $2,402 million. Municipal direct and indirect debt stands at $2,348 million. Consumer debt, and this includes

personal loans by banks and credit unions, is $2,702 million. That makes a total of almost $19 billion in just five years.

It is useless to pretend that the Liberal party has any better record than the Conservatives when it comes to incurring debt. Under a succession of Liberal administrations Canada's national debt increased between January 1, 1939 and December 31, 1956, a total of no less than $10,898 million.

An hon. Member: There was the war.

Mr. Thompson: You say it was the war. That is true; but most of that debt was incurred during those years. You say it is permissible to go into debt during a war, but some say that after the war the debt was reduced. I deny that statement.

At the commencement of the last war members of this party protested most vehemently against the adoption of a method of war finance which would plunge the country into debt. They pointed out that a government which had power to issue a bond also had power to issue dollar bills and credit. Had it not been for the inflation that this method of war finance entailed, it would not have been possible for the Liberal administrations to carry on as well as they did in the years after the war.

As it is, we must place fairly and squarely upon the Liberal administration the responsibility for the greater part, although by no means the whole, of the crushing burden of this country's national debt. As an example we can look at the Liberal administration in Quebec. In two years it has increased the debt of the province of Quebec by more than it was increased during the previous 93 years history of that province.

How can private enterprise be established and strengthened by robbing incentive and initiative, by tight money, high interest rates and by reinforcing the hand of vested interests and monopolies? The Prime Minister has said that the issue prior to the last election was private enterprise versus socialism, but this is not the issue if private enterprise is expected to live under present trends when those who claim to be the champions of private enterprise become the apologists for socialism.

An outstanding example is the equalization of taxation on private and public utilities which, at the present moment, is an issue in the province of Quebec under a Liberal administration. If users of electricity, who buy their electricity from private companies, can be expected to pay the increased cost of their electricity, and those who buy their electricity from public companies do not have to pay the tax placed on private companies, how can you expect free enterprise to survive? Why should the users of private electricity be subject to the payment of a tax which the users of public electricity do not have to pay? Not only is tax equality urgently required but it would also create a great incentive towards more development.

We now have a royal commission on taxation, but we in this party maintain that we cannot wait for tax reform upon the findings of a royal commission, which may not be produced for two years or more.

I am pleased to note that it has finally been decided to go ahead with the development of the Columbia river project. The recommendations which the government of British Columbia has been pressing are nothing more than a practical business approach. To refuse to export power which is a continuing energy resource, as long as the rains fall and the rivers run, is completely incompatible with the policy which permits the export of expendable resources such as oil and gas. However, it is interesting to note that the export of power in this case concerns power which is not even generated in Canada. Rather, it is extra power generated in the United States at the Libby dam and returned to Canada on a share basis.

It is hoped that the government will also see fit to play its part in immediately going ahead with a two river project. This is vitally needed by Canada if our industries are to expand and if there is to be any hope of increasing employment. I would also remind the government at this time that any hope for a useful national energy grid will depend largely upon the immediate development of both the Peace and the Columbia rivers.

I was pleased to note that the Prime Minister has given the house an assurance that legislation will be introduced in accordance with the practical recommendations of the O'Leary report as it relates to the magazine publishing industry in Canada.

The speech from the throne states that Canada's prosperity and growth must ultimately rest in large measure upon its exports. May I ask how we can increase our exports while at the same time we build up higher tariff walls? The only true basis of international trade must be the exchange of goods. Canada's prosperity and development depend on our ability to grow and on the ability of the Canadian people to use that which they are able to produce. We must expand if we are going to live. Social Credit regards continuing progress as being dependent upon new development and growth, and it is a basic law of divine creation that our trade and economic functions must be directed to this end.

Therefore we say that the prosperity and development of Canada depends on a trade

balance, on Canadian consumers with money purchasing that which they are able to produce. Second, it depends upon a general decrease in the cost of living, which will mean cessation of the present inflationary trends. This means lower taxation as well.

Amendments to the Export Credits Insurance Act will be welcome, but it is necessary that we follow up on our settlement problem as well.

It might be well to note here that the financial proposals for the commonwealth, made by the United Kingdom's Chancellor Maudling recently, are worthy of consideration. In the same way that we were in difficulty in the thirties internally with the gold standard so we are in trouble externally with the gold standard today.

The freest possible exchange of goods and services is an essential ingredient of a buoyant economy. Likewise the old pattern of high tariffs and economic isolation must be replaced with new and freer trade patterns. The commonwealth weakens about us and its influence diminishes simply because we do not have the courage or vision to launch out into the obvious. Prime Minister Diefenbaker missed a great opportunity for leadership at the recent London conference simply because he could not free himself from the old rationalizing indecision which has been characteristic of his administration. Today's freer trade requirements are not limited to the commonwealth; they must also apply to the United States, to the American hemisphere and to other friendly nations. But they must begin some place.

We must understand not only the truth of this, but the urgency of it. What better place could we find to begin such a policy than our next door neighbour? Talk of a world conference to this end sounds all too hollow in light of the increased tariff walls we build, even though we give them such high sounding names as "surcharges".

I must commend the Prime Minister for his first mention, as given in the throne speech, of the political implications of the European economic community as it relates to the treaty of Rome. It is well that the leader of the official opposition should remember that the strength of our nation and our way of life does not merely depend upon economic laws. There are laws, yes; immutable laws which extend far higher than this. One of the great heritages that we have in the commonwealth of nations is the parliamentary system of government which puts the democratic authority and responsibility back to the people rather than being vested in the constitution.

May I say here that the treaty of Rome, while good in its economic aspects, and while its benefits have been and will continue to be of much benefit to the continent of Europe itself, is outweighed by the political implications it contains. I would suggest that every hon. member of this house study this document before making any final decision as to whether or not he thinks Britain should be joining this political, economic setup at this time.

If only we could understand that Britain's need is not merely preferential treatment for commonwealth countries, not merely industrial competition from Europe, but simply that of raw materials and markets which can be far better obtained within the commonwealth itself, then we would immediately demand a commonwealth trade conference with full preparation and study. Thus we come to many of the problems that we have been hearing about today and yesterday.

At this particular time I think we should remind ourselves very carefully, each one of us as members of this house, that we have a responsibility to Canada, to our electors, to each other and to parliament. Therefore we maintain that we must face up to the legislative needs of Canada at this time. Canada desperately needs legislation; she desperately needs to have the confidence of her people restored in the processes of democracy and in those who have the authority for government.

Therefore at this time—I will at a later time finish the remarks I have to make—I would move, seconded by the hon. member for Villeneuve (Mr. Caouette), that the amendment which was proposed last evening by the leader of the official opposition be amended by inserting after the word "advisers" and before the word "do" the following:

—having failed to pursue economic and financial policies based on Social Credit principles—

Some hon. Members: Oh, oh.

An hon. Member: Printing money.

Mr. Thompson: Nobody said anything about printing money. I noticed that some of the proposals of the leader of the official opposition had been copied right out of our last election platform. Hon. members should stop laughing, before they go too far. To continue:

—having failed to pursue economic and financial policies based on Social Credit principles, designed to establish a balanced economy and relieve the burden of public debt and public debt charges, thus assuring Canadians a standard of life compatible with this nation's capacity to produce—

The amendment as amended would then read:

We respectfully affirm to Your Excellency that Your Excellency's advisers, having failed to pursue economic and financial policies based on Social Credit principles, designed to establish a balanced economy and relieve the burden of public debt

and public debt charges, thus assuring Canadians a standard of life compatible with this nation's capacity to produce, do not possess the confidence of this house.

Now, Mr. Speaker, I would continue with my remarks. I think I still have a few moments left. The objectives for a world trade conference are commendable and good, but may I remind the government that you must start some place, and what better place to start than the commonwealth itself?

It is interesting to note that the Prime Minister has endeavoured to build confidence in Canada for foreign capital. Why is not something done about building confidence in Canada for Canadian capital? How can we expect Canadian owners of Canadian capital to invest their money in the development of their own country when they can receive more profit with less risk by investing in the debt of a deficit financing policy?

Mr. Speaker: Order. I regret to advise the hon. member that his time has expired.

Some hon. Members: Continue.

Mr. Speaker: However, if the house grants unanimous approval, the hon. member may continue.

Some hon. Members: Agreed.

Mr. Thompson: Thank you, Mr. Speaker. At this point it is well for us to understand, in general terms at least, the different capitals with which we have to work. Adam Smith understood this when he realized that labour and land were not sufficient; that in a mechanized world capital is necessary. Today, as automation takes over, how much more necessary is it for us to understand the basic purpose of capital if we are to survive at all as a free way of life.

We have tax capital. Tax capital is the money which the tax collector takes from your pockets, my pockets and the pockets of all Canadians to pay for the services which government renders. Governments have no source of capital except as they take it from us, the taxpayers, or as they use our credit to borrow money to make up deficits. I think the sooner we understand, the better. I suggest to hon. members of the house on this side that the sooner we remember that the only money governments have to spend is tax money, the better off it is going to be for our economy. You cannot get something for nothing when it comes to paying the cost of services of government.

Second, there is commercial capital, which has better been called production capital. This is the capital which comes from our savings and which is rightfully used for the development of our resources and the carrying on of our commerce. This is the kind of capital that earns a profit. There is nothing wrong with profit. Some of our hon. friends would make "profit" a dirty word. Profit is nothing more or less than the earnings of the invested capital as it produces our needs.

The trouble in our country today is that our production capital lies idle when it should be at work developing our country. If 25 per cent of this type capital today that lies idle were put to work, there would be no shortage of capital and we would not have to be crying for capital from outside the country.

I should here like to mention a third type of capital which is most important to us right now. This is public capital. Public capital is capital which is used to construct and make possible our public projects which do not earn a profit. I am thinking of schools, hospitals, highways, bridges and canals. This is the type of capital we must have to finance the capital development of our public or social needs.

We in this corner of the house maintain that this capital should not come from the commercial market. It should come from a municipal development bank as an integral part of the Bank of Canada. May we remember here that such capital does not earn a profit. Do we earn a profit on schools, highways, hospitals or canals? No. Instead, it facilitates a service. Public capital under the present system is drawn off the commercial market at high rates of interest. As a result, the cost to the taxpayer of all public developments in this country is more than double the cost of the actual construction itself. As an example, board sidewalks costing $100,000 in 1912 cost the Vancouver taxpayer $345,000 by the time the final payment was made in 1962. The paradox of this is that those sidewalks never earned a cent of profit and they rotted away more than 30 years ago.

The real purpose of a municipal development bank and not that of a municipal fund, which just takes more money to redistribute to the others, is to supply the credit which is necessary for the construction of our public capital works and this is one of the most urgent needs at this moment in our economy because unless this type of expansion can go forward this winter we shall be facing one of the grimmest winters we have experienced for many a year. While I do not claim to be a prophet nor a son of a prophet, I am sure that by next spring we shall have 20 per cent of our work force unemployed, together with a cost of living higher than it has ever been. This is something we shall have to face in this house in this parliamentary week. Canada stands at a crossroads in her history and the crisis

centres right here in this house. It is essential that we should face up to it and meet the responsibility which is before us. What does this involve? On the part of the government—and I think this is very important—it must be remembered that this is a house of minorities. They must acknowledge that they do not have the trust and confidence of the Canadian people generally; they form a government only because they have the largest minority group. The government and its supporters must recognize that the policies and program which they have followed in the last five years are responsible for the loss of public support and therefore they must be willing to give heed to some of the recommendations from the other parties whose combined public support represents nearly two thirds of the electorate.

The Liberals, as the official opposition, must recognize that the situation in Canada today is not a normal set of circumstances but a national emergency. Statesmanship requires that they should forego their traditional political procedures and give precedence to a position dictated by the national interest.

We in this corner are not responsible for the government's decisions. We will use this opportunity to give leadership and a practical demonstration of statesmanship as against the jockeying for partisan advantages which the prevailing situation invites and which is so characteristic of both the larger parties.

What is our practical approach? To be practical it is essential that we look at the facts. The confused situation facing parliament obviates clear thinking and brings into focus two specific issues. First, with regard to external affairs, a realistic program is needed to solve the balance of payments problem. Obviously, temporary emergency measures cannot solve anything. We cannot expect to return to normal conditions and progress if we maintain these emergency measures. It is essential that external credits be granted, using the Bank of Canada to increase exports for the good of all the people. To increase exports is a more logical approach than the curtailing of imports except when domestic production will not increase consumer costs.

Internally, there is an urgent need to create circumstances which will assure a buoyant and confident internal economy. We need: adequate capital for industrial expansion; adequate consumer purchasing power, and adequate social measures for large-scale municipal growth and improvements.

Thus, I think we must rise above those things which divide us politically, to the level of the statesmanship which the nation needs at this time. Let us have a few months at least free from partisan considerations. Let us keep Canada first. Our party recognizes and acknowledges the facts with respect to its own position in parliament. No one has the confidence of a majority. Collectively, we all represent the public will. In this regard there is a particular responsibility resting on the government party, since they form the government. Social Credit is determined to follow the role of statesmanship. This is the only approach. I appeal to each party, to each individual member of this house, to consider their responsibility. If this responsibility is rejected, the only outcome would be a national crisis.

In five short years we shall be celebrating the hundredth anniversary of our nationhood. Before this historic milestone is reached, the people of this land will have to reach a decision. They will have to decide whether they will continue to blunder along the path of confusion and indecision. This decision may well be as vital as was the decision which first united the foundling provinces of this great nation. Shall we continue down the road we have been travelling to the inevitable economic and financial crisis to which our debt system has been taking us? Shall we continue to believe in a system which says we never had it so good and then, the next week, have to tell the people that the country is going broke? Shall we have confidence in a system which told us in 1957 and again in 1962 that we were in the midst of a period of economic expansion only to wake up to find tight money and high interest rates holding us back?

Would it be better to turn to the left and sacrifice the remaining vestige of freedom and dependence, first to the false hope of socialism and later to communism which is the socialist's ultimate destiny? True, it would be an alternative to the old way admitted even by those who profess free enterprise but who, in their expediency, have become the apologists of the very philosophies which they preach.

Or shall we turn to what is right and set our feet on a new path which will lead this nation into an era of prosperity and freedom with opportunity for all? This is the problem to which hon. members must find an answer as we face our joint responsibilities in parliament toward the needs of our nation at this time.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, may I take advantage of this first opportunity to congratulate the mover (Mr. Chaplin) and seconder (Mr. Vincent) of the motion. Their thoughtful presentations bore testimony to their concern about the problems which face Canadians at this time.

No doubt hon. members have noticed with interest that there is an unoccupied seat to my left. I must explain to them that there are many people in the constituency of Burnaby-Coquitlam and all across Canada who are doing all they can to see that Mr. T. C. Douglas graces that seat after October 22.

Mr. Speaker, the leader of the aggregation opposite us mentioned the word "statesmanship" on half a dozen occasions and then ended up by placing his group in the same position as the Prime Minister (Mr. Diefenbaker) attempted to place the Leader of the Opposition (Mr. Pearson).

Mr. Hellyer: Explain.

Mr. Herridge: I think my hon. friend opposite understands what I mean. I do not like using the word the Prime Minister used. The limited time at my disposal does not permit me the luxury of gnawing on the bone of partisan trivialities. Therefore, I intend to take the time at my disposal to present a synopsis of our program to the house. Other members of this group will deal in more detail with particular aspects of the throne speech and our program, will give a thoughtful analysis of the economic situation as we see it and of our proposals, and make certain criticisms, comments and observations on the speeches of the Prime Minister (Mr. Diefenbaker), the Leader of the Opposition (Mr. Pearson), and my hon. friend opposite.

However, before proceeding I must say this. I think a good many members will agree with me that a considerable portion of this very important debate has been considerably below par. I think we have a definite responsibility to the institution of parliament and to the Canadian people. So far as this group is concerned, it accepts its responsibility. It will continue to do all it can to maintain the dignity of parliament, promote respect for parliament, and make it function more efficiently for all Canadians.

Mr. Speaker, the members of this party have tried their best to receive the speech from the throne with a broad mind and in as charitable a fashion as possible. It has been very hard. We have listened carefully for any hint or suggestion of protective measures to deal with the many serious problems which face Canadians today. I must admit, however, that looking for positive measures in this throne speech requires a degree of optimism equal to that of the man who looks for eggs in a cuckoo clock. Government promises in the throne speech remind me of the huckleberry crop in British Columbia this year. In April the huckleberry bushes were replete with blossom; blossom was on the huckleberries everywhere in profusion. Then we had a few chilly days in May, and we have not had any huckleberries in September. I think that illustrates very well the government's promises and the indications of what the government intend to do so far as this speech is concerned. I think it is quite safe to say that the majority of Canadians generally now realize that the government's performance has fallen far short of its promises since 1957. Anyone who has read the record throughout the years will fairly agree with that, I think. Government ineptitude, lack of purpose and lack of direction have been repeatedly demonstrated. My time does not permit me to go into numerous illustrations, but seeing that the subject has been mentioned this evening, I want to bring one illustration to the house which I think shows this perfectly. Time will permit me only to give this one illustration of the government's lack of purpose, policy and program, namely, the tragic desertion of principle and capitulation to the premier of British Columbia in the matter of the Columbia river treaty. I wish to point that out. It is a most unusual circumstance. Never before in Canadian history have we had cabinet ministers telling the public a few months before that such a course of action would betray the interests of the Canadian people, who then turned around later and did just that.

Now, two paragraphs in the speech from the throne concern us. They are that:

> It is hoped that arrangements will soon be completed that will make it possible to submit for your approval the Columbia river treaty and the legislation required in parliament to implement it.

The second paragraph is:

> My ministers have come to the conclusion that large scale, long term contracts for the export of power surplus to Canada's needs, present and potential, should now be encouraged in order to expedite the development of major power projects in Canada which are too large to be supported by the domestic market. Such exports can also strengthen our balance of payments.

There is a reason for this about-face. This government is hungry for dollars, and is willing to sell this country out to get some quick dollars through the signing of the treaty, and surrender to Premier Bennett. This is a different course of action to the former course and it has been taken by members of this government from the Prime Minister down.

I would like to quote the Prime Minister on February 11, 1957, as reported on page 1158 of *Hansard*. He said:

> Also in connection with power development which is so necessary we believe that Canada's right to the potential hydroelectric power latent in international rivers in Canada should not be parted

with under any circumstances, and that the benefits of such hydroelectric power should be preserved for the ultimate use of the people of Canada.

Can we square that statement with the government's present policy? I will not go into the details of this—there will be opportunity later—but I do want to emphasize and to demonstrate this complete reversal of policy, which indicates the instability of the policy of this government. On September 16, 1961 there was an address by the Hon. W. A. C. Bennett, premier of British Columbia, to the associated boards of trade of central British Columbia, at Prince George. During this address Mr. Bennett spoke in critical vein of the treaty, repeatedly quoting Mr. Stewart L. Udall, secretary of the interior of the United States, to indicate what a good treaty this was for the United States. At one point Mr. Bennett said:

This is the deal which the zealous—and in my opinion, extremely naive—chief Canadian negotiator, the Honourable E. Davie Fulton, wants British Columbia to buy.

Then later the "Hon. Davie Fulton" went to Prince George to reply to Mr. Bennett, and I have a copy of his manuscript in my office. The minister spoke on November 28, 1961. Mind you, this is the Minister of Public Works (Mr. Fulton) in this administration speaking. He said:

The Americans haven't been offered such a windfall since the purchase of Manhattan Island, unless, of course, it was the Bennett-Kaiser deal the federal government stopped in 1954. Now the pattern is repeating itself and the sellout will have to be prevented again.

Then again, here is another quotation from the same speech:

Of course American government and other officials are hoping that Ottawa will adopt this policy. Of course Mr. Bennett is using this as a squeeze play, but Canadian government policy is still made in Ottawa not in Washington and Victoria as Mr. Bennett would like to see it. Canadian government policy will continue to serve Canada's best interests, not those of the United States.

Then Mr. Fulton went on to say:

Why did the Bennett government and the federal government set the treaty up on the basis that we should get back 50 per cent of the power generated in the United States?

Because we knew that this was the cheapest power British Columbia will ever get anywhere.

Because we knew that this meant better chances of British Columbia competing in Canadian and world markets.

Because we knew that this improved our chances of getting new industries—creating more permanent jobs—not temporary construction jobs, but permanent industrial jobs—

The Bennett plan makes sure that the transmission lines go just one way—south—

Canada is opposed to the sellout of the power we are entitled to under the treaty. Canada is opposed to long term contracts tying up Columbia downstream benefits. This would confer an enormous benefit on the Americans, but we are not prepared to permit that at the expense of British Columbia. The Bennett-United States squeeze play won't work. The power sellout has to be resisted—

To exchange it—

That is, the present Columbia treaty.

—for a penny-wise and pound-foolish agreement under which this country would dispose of a great resource in its entirety would be sheer madness.

It would be an act of such reckless and improvident philanthropy that would make this country the laughing stock of the world.

The Minister of Public Works made these statements when he was minister of justice and when he was chairman of the negotiating committee. This will take some explaining to the people of British Columbia, and I can tell you already that there are telegrams from trade unions and other groups in British Columbia coming to our office. This is going to be an issue in British Columbia. Let me say this: the debate on this treaty, when it comes before the house, will rival the pipeline debate. There is going to be a really good debate on this great issue. I note that the government's final promise in the speech from the throne reads as follows. I say "promise" because I am always a little bit leery.

You will be asked to abolish closure and to re-establish the special committee on procedure of the house.

Mr. Pickersgill: Will the hon. member permit me to ask him a question at this time?

Mr. Herridge: Certainly.

Mr. Pickersgill: Has the hon. gentleman noticed that this is not the third session but the third parliament to which that promise has been made?

Mr. Herridge: Yes. I am fully aware of that fact. That is why I qualified my statement when I said that it was the government's final promise. I look upon it only as a promise, yet. However, I am appealing to the Prime Minister's sense of sportsmanship in view of what he had to say in the pipe line debate. We all remember the Prime Minister's strong opposition to the application of closure during the pipe line debate and his promise that a Conservative government would abolish it. There are many hon. members who will recall his rousing remarks on that occasion, this champion of the Canadian Bill of Rights and of that sort in this house. We trust he will stand by his principles, his assurance and his promise by making certain that the house will have the opportunity to deal with the abolition of closure prior to the introduction of the Columbia river treaty. I think that is a very fair suggestion. I could go on for hours on this subject. My office is full of material. Let me also say this. Some of the hon. gentlemen opposite are not fully aware of this

situation. They live in eastern Canada and they do not understand what it means to thousands of people in British Columbia. However, I am speaking for thousands of people in British Columbia when I mention this matter with respect to the Columbia river treaty.

In the main the throne speech concerns itself with economic affairs. Once again we find the Conservative government can look at exactly the same evidence as everybody else and yet come up with an observation all their own. It is very clever of them. The rest of us look at the dominion bureau of statistics figures which show that average annual unemployment in Canada has hovered around 7 per cent of the labour force during the last four years and that last year the per capita real gross national product was less than it was in 1956, and we arrive at the conclusion that this is a very shoddy performance.

For example, a recent report by President Kennedy's committee on unemployment revealed that the United States has the highest unemployment of any non-Communist industrial country, with the exception of Canada. I noted that the leader of the official opposition mentioned that matter in his speech. Canadians are noticing it. On this matter I am getting letters cut out of papers and underlined. The facts are being impressed on a good many Canadians. The government, however, interprets exactly the same set of data to mean that the economy has moved ahead sharply. This seems very odd to me and to the other members of our party, but doubtless these are mysteries which mere mortals like myself cannot hope to comprehend.

It came as no surprise to most of us that the government is determined to continue the austerity program. What I think staggers the imagination of anyone who thinks seriously about these things is this. The government thinks it can provide a million new jobs over the next five years and keep the austerity program at the same time. Tight money and reduced government spending are bound to increase unemployment and further restrict economic growth. These are, from our point of view, exactly the wrong policies to adopt in our present economic circumstances. All across the country the cry has been taken up that the time has come for Canadians to tighten their belts. In an economy such as ours we believe this is dangerous and misleading nonsense. Belt tightening policies might be called for if we already had full employment, were producing at full capacity, and were in danger of inflation. But to tighten our belts now can only prolong and aggravate the high unemployment and sluggish economic growth which have been this country's shame for the past six years.

I just want to deal with this aspect of the matter. Let us consider the tight money policy for example. With interest rates of 5 per cent and 6 per cent the provinces and municipalities will be unable to borrow the funds they need for essential social capital investments. Everyone knows that all across Canada there is a tremendous need for social capital of all kinds for schools, houses, hospitals, roads, bridges, public power, slum clearance, urban renewal, parks, recreation centres and the like. The Canadian Federation of Mayors and Municipalities has brought these matters before the government on more than one occasion and I have discussed this matter with officials of the federation. Not only are these projects desperately needed by our society now; they are also capable of creating thousands of jobs for unemployed Canadians and for those thousands more who will enter the labour force over the next few years. There are thousands coming into our labour force every year. Many of these projects are the responsibility of the provincial and municipal governments. On behalf of this group I wish to emphasize that in order to carry out investments of this magnitude they must borrow money. But when interest rates are as high as they are now under the tight money policy, we find this situation.

I wish my hon. friend the leader of the aggregation opposite me had been in this house when their former leader, Mr. Low, used to talk about the tight money policy. The hon. gentleman sang a very different tune from that sung by his predecessor in the years gone by. At any rate, when interest rates are as high as they are now under the tight money policy, the provincial and municipal governments will be unable to borrow and will have to abandon their plans for social capital and public works construction. When these things are abandoned, thousands upon thousands of potential jobs will be lost to the Canadian economy. There is no question about that matter. Tight money also restricts the investment plans of small businesses. Small business is noticing this throughout the country and small business is beginning to turn towards this party of social progress to come to its rescue. More and more people are beginning to realize that we are the ones who believe in the mixed economy, public ownership, co-operative ownership and legitimate free enterprise, particularly small business.

Mr. Thompson: It will eliminate it.

Mr. Herridge: Moreover, it strikes the home builder and compels him to abandon his plans for building that new house until he can

borrow money on easier terms, with the result that the construction industry sags and more jobs are lost. All this adds up to one thing namely greater unemployment, both directly and indirectly, now and in the future.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Herridge: Mr. Speaker, when I was enjoying my dinner and noticing the large number of people who were enjoying their dinner in comfort, I could not help thinking of the millions in the world who go to bed hungry every night, and of the task we have to set things right both at home and abroad, a task that will tax our humanity, integrity, intelligence and industry.

Now, Mr. Speaker, when we rose at six o'clock I was questioning the statement that the government's policy would create a million jobs in five years. I said I would like to know how. I may say that equally disastrous is the government's determination to make large cutbacks in government expenditures. From our point of view it will be particularly harmful if those cutbacks take place in public works and social capital. This is precisely the sector of our economy where a much higher level of investment is needed and which has the greatest potential for creating new employment. This is a self-liquidating investment which returns something to our society throughout the years. A cutback in expenditures here will depress employment directly.

Mind you, Mr. Speaker, it is not only this government's projects that will cause a loss of jobs. It must be remembered that each employee on these projects will be spending part of his wages and salary on the goods produced by private industry, thus expanding employment and production in that sector of the economy as well. Therefore, the members of this party say that when the government makes giant cutbacks in government expenditures it costs jobs both in public and private industry. We fail to see how we are going to get economic growth, rising employment and production as promised in the throne speech on this basis.

The austerity program is diametrically opposed to economic expansion. When the government talks about using austerity to promote prosperity, I am reminded of those governments in Canada and the United States, as well as Britain, during the thirties, that thought the way to solve the paradox of poverty in the midst of plenty was to get rid of the plenty. Surely, Mr. Speaker, a great many members in this house can remember the policies of former president Hoover, of Britain going off the gold standard, and the consequent unemployment in Great Britain and then in Canada. We remember exactly the same austerity program under former prime minister Bennett which created great hardship when the stability of money was of more concern than the welfare of human beings.

We in the New Democratic party are convinced that you can only get full employment and economic expansion through a system of democratic planning. Now, you know, planning has become very popular. I recall some years ago the leader of the group opposite rising in this house and saying—and I am sure the hon. member for Winnipeg North Centre (Mr. Knowles) remembers the occasion, and you will find it in the record—that anybody who suggests economic planning in Canada is suggesting reducing the Canadian people to slavery. Well, we have had an impact on thinking people in Canada. Planning has become quite respectable. Even the heads of big corporations realize there has to be a measure of planning, and so does this Conservative government realize it. But our point is that this economic planning must be under the direction of this house which is responsible to the people of Canada, and not the directors of big corporations.

We note, Mr. Speaker, that the throne speech makes special mention of a national economic development board, but as usual the wording used by this government in throne speeches is very vague in relation to the jurisdiction and powers that this board will have. I must say that from past experience we are very suspicious of the exact meaning of this wording. We are waiting with interest for some elaboration of the proposal, some details of what is actually meant. Will it be a serious effort at economic planning in Canada on the part of this government, in co-operation with provincial governments and other levels of government, or will it turn out to be a second cousin to that mammoth hoax the productivity council? This is the question we are asking.

The New Democratic party has made clear its policy on economic planning. We have also made it clear what we do not regard as planning. For example, planning does not mean mere economic forecasting. It does not mean just a review of what is already happening in the economy. It does not mean a mere announcement of economic goals. It does not mean the mere lumping together of the separate programs of government departments. Finally, it does not mean simply the

exchange of information and advice between the government and a board of advisers. It goes far beyond that.

Democratic economic planning, Mr. Speaker, as understood in this party and by an increasing number of Canadians at this time consists of four things. In the first place, it is an account of the possibilities in Canada. It is an estimate of what the economy can do, of what it might do this year and next year and in all the years of the foreseeable future. The range of choice is enormous when one applies his thoughts to this question. How much education are we prepared to provide today? We in this group believe that every Canadian child, regardless of where it lives or the economic circumstances of its parents, is entitled to all the education of which it is capable of taking advantage at the expense of us all. How much northern development should there be? Now, our northern development would extend beyond that unconventional project of the government's last year in the Yukon, but which had a great deal of news value. I am all for preserving these historical sites, but we have to set our "sights" much higher than that. I mean that in several senses.

What kind of industrial investment is required in this country? What combinations of all these things are possible? Now, Mr. Speaker, we have the mechanisms, we have the services in federal government. They have them in the provincial governments. You would be surprised at the number of persons in private industry and in local organizations who would be willing to co-operate with the government if it had a purpose, a plan which was prepared and in which they were asked to co-operate. We simply fail to take advantage of the reservoir of goodwill that exists amongst the Canadian people. I am one of those who believe that we have to provide the morale equivalent to that prevailing in wartime; we have to stir the people to believe that they are proud of this country. I am a Canadian and proud of it. We have got to get them thinking of national problems and get their co-operation in national projects and objectives.

I think all of us realize that in an unplanned economy there is a feeling of inevitability about what happens. Indeed, I meet people today who ask "What is the use"? because they realize they are capable of starting this going and getting it in motion, and that sort of thing, but this inevitability is taken as an excuse for poor economic performance by governments, and by private industry in some cases, but a planned economy shows how wide and rich the possibilities are from which we can choose. This will be democracy in action. Here we will have people applying themselves to the maintenance of political freedom and working at the same time towards the extension of our economic freedom.

I suppose I should interject at this point that we would set up a planning board, consisting of economists, engineers and other experts whose job it would be constantly to conduct studies of the Canadian economy, draw up goals and priorities and the means for implementing them, and report regularly to the government.

In the second place a democratic economic plan is the discovery of what people actually want. It is not just making them want a lot of the tinselled, useless things peddled to them today which create standards for false values. We would find out what the people should want, and do want in the majority of cases. I represent a constituency of good solid Canadians, 50 per cent rural and 50 per cent industrial, but I find that the great majority of people do not understand what are the sound values in life, what are the things worth looking for and what are the things worth acquiring. We should find out what they want. We should give them a chance to express themselves instead of flooding them with the tinsel things on which they are asked to spend their money today.

In the New Democratic program we call for the establishment of an economic advisory council, representing business, labour, farmers and consumers. We say that a part of the function of this council would be to keep the government informed about how the people want their economy to perform and what they want it to produce. Of course the first things are the necessities of life for everybody.

Then, once the possibilities have been assessed and the choices of the people understood, the officials on the planning board—

Mr. Speaker: I regret to advise the hon. member that his normal period has expired.

Some hon. Members: Let him continue.

Mr. Speaker: Has the hon. member the unanimous consent of the house to continue?

Some hon. Members: Agreed.

Mr. Herridge: Mr. Speaker, I want to express my sincere appreciation of this courtesy extended to me by the house. It is obvious that I am making converts wholesale.

Mr. Monteith: Don't be misled.

Mr. Herridge: Once the possibilities have been assessed and the choices of the people understood, the planners on the planning board should draw up goals for the economy based on the people's choices and within the limits described by the possibilities. This plan

would be submitted to the cabinet and to parliament for debate in this house, and then for approval or otherwise.

Finally, democratic economic planning is the deliberate determined use of intervention and direction to attain the goals of the plan. We believe it is time that those responsible to the people determined the direction of investment, the rate of investment and the development of our natural resources. This is where our concept of planning departs significantly from planning as it is understood by the other political parties. The leader of the Liberal party, for example, bases his party's belief only in advisory planning. It was rather disappointing to hear this as I thought we had influenced him more than that during the last parliament.

Unless the government is prepared to intervene in economic affairs to ensure that the people's choices are translated into achievement, then any planning institutions the government set up would be next to useless. Democratic choice is denied in the unplanned, so-called free market economy. People do not choose unemployment and declining per capita production, but these things have happened just because of our unplanned system. The people want more social capital, more roads, more schools and hospitals, but there is no way in which they can express their demand for such goods in the private market, in the way that they can express their demand for an automobile or an electric toaster.

In the private market economy there is a wide range of choice denied to consumers. Unless planning institutions are created, and unless the government is prepared to intervene in the economy to ensure that the recommended and planned goals are achieved, then the government is not engaged in economic planning at all. Without planning, the performance of our economy will grow worse and social and economic democracy will be denied to the majority of Canadians.

Some may ask whether economic planning of the kind this party believes in has any relevance to Canada's present economic problems. We are convinced that it has. A New Democratic government would use its planning institutions to promote economic growth, full employment and a higher standard of living, and may I say that we look upon a higher standard of living as a development towards a higher social and spiritual life, because with a higher standard of living insecurity will have been removed.

This would lead us to policies which are diametrically opposed to the policies of the government as outlined in the speech from the throne. In particular it would lead us to reject tight money and any cut-back in government expenditure on public works. We would replace high interest rates by low, long term interest rates to encourage investment by the provinces and municipalities, and by small businessmen and home builders. An easy money policy of this kind would provide new employment and give our sluggish economic growth a shot in the arm. It is the wrong policy to reduce government spending at this time.

This party is not afraid of budget deficits when these are part of a plan to promote full employment and economic growth. The reason the very large deficits of the present government have not been successful in this regard is that these deficits have arisen as the result of mistake, and not as the result of planning. They have arisen largely as a result of our sluggish economy failing to yield the expected tax revenues, but properly and deliberately planned deficit spending is necessary to promote full employment at the present time. If people do not believe this then I would refer them to the economies of countries in western Europe.

Instead of reducing government expenditures, we would launch a massive program of public spending on social capital, on roads, hospital, public housing, transportation, education, natural resource development, urban renewal, slum clearance and so on. Not only would this fill a serious gap in the range of goods and services available to the Canadian economy but it would generate new incomes and thousands upon thousands of jobs, both in the public and private sectors of the economy.

In the days to come other members of this group will deal with our proposals in greater detail. We intend to put our proposals logically before the house. They are the result of considerable discussion and co-operation with economists, engineers, research people and other authorities, and we are putting them forward realizing that they are the result of the application of intelligence to the problems that face us today.

In addition to the measures I have already mentioned, other members will explain why the New Democratic party favours abandoning the pegged exchange rate of the Canadian dollar and returning to a free-floating rate, in order to meet our balance of payments difficulties without sacrificing employment and growth in the process, which a fixed rate inevitably does. They will present other suggestions for improving Canada's long-run balance of payments, and will comment on the trade and tariff policy of the present government in some detail.

Mr. Speaker, in the few minutes at my disposal I have, in general terms, presented the alternative program to the government's program, proposed by members of this party, and I sincerely and seriously urge hon. members of the house to give it their serious consideration.

(Translation):

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, my first words are of congratulation to the mover and seconder of the address in reply. The mover is carrying on in this house a tradition established by his father, and his speech indicates that a long and fruitful parliamentary career lies before him.

As for the seconder, he spoke with eloquence, clearness and precision. He has shown himself worthy of the high reputation of distinction established in this house by his distinguished predecessor, His Excellency the lieutenant governor of the province of Quebec, the Hon. Paul Comtois, to whom I present my respects.

Allow me also, Mr. Speaker, to tell you how happy we are to see you fulfil the position entrusted to you, being convinced that you will carry out your duties with competence and distinction.

I also congratulate the Deputy Speaker of the House (Mr. Chown) as well as the deputy chairman of committees (Mr. Paul).

Mr. Speaker, during the election campaign, the speeches made by the Leader of the Opposition (Mr. Pearson) and his Liberal supporters were of course followed with great interest.

A few days before the election, the Leader of the Opposition stated in Montreal that in spite of the fact that he had no absolute confidence in Gallup polls, he was nonetheless under the impression that it would be impossible for the Conservative party to form a government on election night, June 18, and he was speaking in such a tone that he seemed sure that he and his Liberal supporters would be called upon to sit on the government side. The wonder, Mr. Speaker, is that ever since that memorable election, the Leader of the Opposition and his lieutenants keep on talking as if they were sitting on the treasury benches, without realizing that in fact Canadians across the country have denied them the vote of absolute confidence which they had asked, and without realizing that they are now—the hon. gentlemen must recognize that—

An hon. Member: Were you granted it?

Mr. Sevigny: —in the very same situation in which they were when the last parliament was dissolved.

An hon. Member: Oh no, I do not think so.

Mr. Sevigny: Mr. Speaker, since June 18, we have heard the Leader of the Opposition and his lieutenants make all kinds of statements which could lead the people of Canada to believe that at the opening of this parliament we would hear from them sensational statements and learn of a dynamic, progressive and constructive program which would brighten the future of the Canadian nation.

That is the reason why all of us yesterday listened during four hours with religious attention—

An hon. Member: What religion?

Mr. Sevigny: —to the marathon speech of the Leader of the Opposition.

An hon. Member: What religion?

Mr. Sevigny: While minutes and hours ticked off, we all wondered where was that dynamic program? Where were those extraordinary revelations?

An hon. Member: Not in the Conservative party.

Mr. Sevigny: In fact, after four hours, we realized that all the words he had uttered ever since June 18 were hollow and that far from being enhanced, the prestige of the Liberal party had definitely crumbled under the futility of the speech we have heard.

It is a difficult thing, Mr. Speaker, to summarize in 30 minutes a speech which lasted four hours, but this is perhaps made easier for me by the tedious wordiness we heard and the paucity of arguments contained therein.

We heard, for instance, the Leader of the Opposition vigorously criticize decisions taken by the Conservative government on the morrow of the election, decisions which were necessary because of prevailing conditions in the field of fiscal relations and had been approved by the Leader of the Opposition before they were officially made known.

We realize why the Leader of the Opposition and the members of his party had to approve the government's decision. They had to approve that decision because any other decision would have countered the best interests of the Canadian people. The immediate and vigorous action of the Conservative government was not ony called for, but absolutely needed.

The Leader of the Opposition and his lieutenants try to criticize the Conservative government's decisions on all the nation's hustings. Therefore, we might have expected the Leader of the Opposition to offer some solution in his speech. But you will have noticed that he was completely silent on that point.

The Leader of the Opposition and the other members of his party have, indeed, since the Prime Minister of Canada (Mr. Diefenbaker) returned from the London conference, been trying to criticize and blame his stand at that vital conference for the Canadian nation. We hear on the radio, we see and hear on the television, and we see and hear in this house violent criticism of the Prime Minister's stand in London. Yet, what did the Prime Minister do in London? Can we blame this man for having gone there to defend the best interests of the Canadian nation? Can we blame him for having tried to strengthen the links which hold the commonwealth together, and which are so important for the economic security of this country and of the other nations who are partners in that magnificent enterprise? Can we blame the Prime Minister for having asked Great Britain to look after the interest of its partners of the commonwealth before embarking in a risky adventure with the common market countries, which might turn out to be harmful and detrimental to this Canadian nation?

Mr. Speaker, I ask you, and I ask all members of this house, whether it was not the Canadian Prime Minister's duty to go to London in order to defend the interests of the Canadian nation? Who, in this house, can blame him for having taken such action to safeguard the interests of our economy, and the interests of our fellow citizens?

(Text):

Over in London, the Prime Minister drew the attention of the commonwealth conference to President Kennedy's plan for the expansion of trade in the free world and to the similar, almost unanimous desire of commonwealth prime ministers. He therefore proposed that the conference should declare its intention to extend an invitation to all member nations of the commonwealth, of the EEC, the EFTA, the United States, Japan and other like-minded nations indicating a desire to meet at the earliest practicable date to consider how to deal with trading problems in a way which would be to their mutual advantage.

This proposal was greeted with enthusiasm in many private and top business circles in Britain which were looking for just such a lead from a commonwealth statesman as offering a possible third alternative to the choice between commonwealth and common market. Some of the British press gave this proposal the acclaim it deserved, notably the *Daily Telegraph* which called it the conference's only show of genuine inventiveness and originality.

After all, what would the Liberals have done if they had been over there in London? What would the Leader of the Opposition have done? How can the Leader of the Opposition speak of a North Atlantic market which would be in its scope way beyond the present common market structure while refusing to realize that there is merit in the suggestion that the leading nations of the world should meet in order to discuss their trading problems and in order to build a structure which would lead to prosperity and progress?

I am proud, as are all sane-thinking Canadians, of the attitude taken by our Prime Minister during the London conference. I believe that I represent the thinking of the majority of the citizens of this nation when I say that the attacks which are continually being made on our Prime Minister are based only on a desire by the attackers to acquire political power at any price.

May I suggest to hon. members opposite that they read an editorial which appeared in the Orillia *Packet* last September 27. This newspaper has a reputation for being of Liberal tendencies and has certainly never shown any indication of being particularly friendly to our Conservative cause. I quote from this editorial which reads as follows:

> History will show Mr. Diefenbaker to have been one of this young nation's ablest leaders. He took office at a time when the Liberals openly admitted they were pleased to get out from under at a time of apparent economic crisis. His government has introduced a host of measures which have improved the condition of most Canadians, and when the economy was again threatened he did not hesitate to adopt measures which are proving themselves completely successful.
>
> On his record he merits the respect of Canadians of all political persuasions. The bitter and unwarranted campaign of hatred and ridicule to which he is currently being subjected does not reflect credit on many of Canada's political commentators.

This is the opinion of one newspaper and the opinion today of the majority of Canadians. The only advantage which is being gained from this unwarranted criticism is that the majority of Canadian citizens are quickly becoming disgusted at the way in which hon. members opposite and their fanatical friends are talking about the Prime Minister and the quicker this happens the better it is for Canada.

(Translation):

Mr. Speaker, I said in my opening remarks, and I repeat it now, that we were all anxious to hear the dynamic, constructive and revolutionary program which had been promised us for such a long time by the Leader of the Opposition and his chief supporters, a program which was to launch our Canadian economy on its way to new summits, an imaginative and original policy which was to open up the minds to more and more new concepts.

Some hon. Members: Oh, oh.

Mr. Sevigny: Imagine our surprise, therefore, when we heard yesterday each point of that program. The Leader of the Opposition spoke first about a new expansion of the building industry. There I asked him: "Where have you been for the past five years?" Because, certainly, if there is something we can be proud of, it is the upswing we gave to the building industry by lending billions of dollars to the builders of this country through Central Mortgage and Housing Corporation, which made it possible to build more than 500,000 homes across Canada. Compare those figures with the situation that prevailed in the days when the members of the Liberal opposition were sitting on the treasury benches. Then, only about $100 million were being loaned to the builders of the nation who were told: "If we lend you as much money, we will create an inflationary trend disastrous for the country." However, the present government has loaned 20 times more to this industry, and the financial experts of the country recognize that the buying power of the Canadian dollar in 1962 is not much different from what it was in 1957.

Mr. Speaker, it seems that the Liberal party now wants to try and offer vocational training to our young people, our older people and our unemployed. But where were our hon. friends during the last four years? Do they ignore that this policy of assistance to vocational and technical training is an accomplishment of the Conservative party? Do they ignore—and I have before me figures from the labour department to support this statement—that 435 new projects have been or are currently being carried out from April 1961 to the end of August 1962, for a total cost of $417,794,283, and that the federal contribution to these projects amounts to $267,133,355?

When our hon. friends talk of assistance to the municipalities, they apparently want to ignore the benefits accrued to the Canadian nation from our winter works program, which the members of the opposition are trying to ridicule. In fact, this winter works program is such a good thing that upon coming to office—where it will fortunately not remain for long—the premier of the province of Quebec hastened to adopt this dynamic and original program which has contributed to secure employment for thousands of Canadians during these last four years. The federal government has wholeheartedly and generously contributed $100 million to this program.

Mr. Deschatelets: Two months a year.

An hon. Member: You did not have it in your time.

Mr. Sevigny: Mr. Speaker, we appreciate the tender concern of the Leader of the Opposition for his distinguished colleague, the hon. member for Essex East (Mr. Martin), when he talks of improving the lot of the automobile industry in Canada. We share the view of the Leader of the Opposition that we should assist that industry. However, we Conservatives believe that we should not only think of that particular industry but of all the industries of the country, and that is exactly why we have gone out to conquer new foreign markets so as to obtain the orders which will not only make it possible for our industry to increase its production, but also to employ a maximum number of people in its factories.

Mr. Speaker, thanks to the various manifestoes put out by the Liberal party, we now know what the program of that party is. If ever that program were implemented, the Canadian nation would have a deficit of over $1 billion each year. How fantastic, careless, and thoughtless these gentlemen are. No wonder, in view of what they desire, that in another province, where another Liberal administration has been in power for two years, thanks to the utter insignificance of its leaders, and I repeat thanks to the utter insignificance of its leaders, that administration should now be obliged, after having been in power for 27 months, to skulk behind a curtain of excuse in order to hide its bad management and the failure of its province.

Mr. Deschatelets: Do you mean the Salvas commission?

Mr. Sevigny: Mr. Speaker, let us compare the futility of the program outlined by the Leader of the Opposition with what has been achieved by this government in the last five years. Let us compare the vacuousness

of that program with the dynamic, progressive and creative measures outlined in the speech from the throne.

Mr. Speaker, the speech from the throne outlines progress, advancement and hope for all Canadians. It announces the setting up of a national economic development board, which will allow Canadian experts to direct this country's business towards the achievement of new economic records.

Realizing the necessity of revising our whole taxation system, we have set up a commission to that effect. It will get to work in the very near future, and we believe that its recommendations will help strengthen the financial structure of our country.

This government is proposing measures which apply to agriculture as well as industry; it also proposes measures to help workers and farmers, and it creates for each Canadian family an increased purchasing power, in granting an additional tax rebate of $50 per child.

In the economic sphere or in any other field, the speech from the throne outlines a program which is to the advantage of the whole Canadian nation, a program which we are proud to propose to the hon. members of this house, and which we will always be proud to discuss with all Canadian citizens.

Mr. Speaker, no doubt you will have noted that we wanted, on the eve of the centennial of confederation, to create that atmosphere of unity which is so essential to the sovereignty of our magnificent country. No doubt you will have noted that instead of talking about sovereignty, of humility, our words were followed by deeds. Indeed, Mr. Speaker, we will repatriate the constitution to adjust it progressively to our present needs. Because we, Conservatives, believe in unity, we will consult the provinces and we will choose together those symbols of our national sovereignty which Canadians have been demanding for so long but which have been refused constantly by the Liberal opposition of today and the Liberal government of the past, in spite of the fact that, during every electoral campaign, they promised to the province of Quebec the fulfilment of this long-cherished dream.

Mr. Deschatelets: That is untrue and you know it.

Mr. Sevigny: A great Liberal for whom I have deep respect and whom the hon. members of the opposition should take as their model, said once that a national flag should be a symbol of unity not disunity.

[Mr. Sevigny.]

Firmly convinced of the truth of those words of a great man, the Conservative party has decided to create unity under that symbol. It is thanks to the efforts of the Conservative government that, in the near future, Canada will proudly raise its distinctive national flag over all buildings across the land.

When we get together in 1967 to celebrate the centenary of confederation and meet in Montreal, in the heart of Canada's metropolis, at the world fair which will attract tens of millions of visitors from all countries, we shall then be able to give those millions of people, who will bring this country a financial as well as a cultural contribution, the spectacle of a nation that has forged ahead, developed and expanded tremendously in five years' time and will keep on developing in the years to come through the efforts of our Conservative group of ministers and members.

In 1967, the Conservatives will be glad to welcome visitors from all parts of the world who will find Canada on the road to renewed recovery and prosperity, thanks to the sound administration of the Conservative government, which since 1957 has been correcting the mistakes of the previous administration, an administration which over 22 long years was instrumental in bringing on the economic recession we have known.

Members of the opposition would like to see a motion of non confidence adopted by members who do not share Liberal fanaticism. They should know however that it is with the present Conservative government that Canada can go ahead. This is why this motion, like the others, will be defeated as it deserves.

Mr. Chevrier: Would the minister allow me me a question?

Mr. Sevigny: Certainly.

Mr. Chevrier: If it is true that the leader of the opposition proposed exactly what the Conservative government has done in the last five years, why did the Prime Minister say this afternoon that it would cost more than $1 billion to carry out the program put forward by the Leader of the Opposition?

Mr. Sevigny: Mr. Speaker, the measures that the hon. members of the opposition are trying to present as their own were implemented by the present government in keeping with accounting and financing rules.

An hon. Member: With continued deficit.

Mr. Sevigny: The difference between us and members of the opposition is that we have respect for figures, whereas the Liberal opposition is always rushing towards utter bankruptcy, whether here, at the federal level, if they ever come to power or at the provincial level, in Quebec, where they have been in power far too long.

(Text):

Mr. John R. Matheson (Leeds): Mr. Speaker, my first words, of course, must be to extend to you my warmest congratulations upon your having been elevated to this high office and of course to extend the compliments of myself and our group to the able mover and seconder of this address. It was not an easy assignment which they took on in this 25th parliament. They certainly did it admirably and to the credit of themselves and their party. For this we commend them, respect them and wish them well.

May I at the outset speak for a moment with regard to the subamendment to my leader's amendment which was moved by the hon. member for Red Deer (Mr. Thompson). In doing so I am authorized to speak for my party and to say that we welcome this evidence of his willingness to support the amendment of our leader. He has indicated that willingness by offering an amendment which leaves intact and unchanged the expression of lack of confidence in the government. If the hon. member would agree to delete just five words from his subamendment—

Some hon. Members: Oh, oh.

Mr. Matheson: —we would be prepared to accept it. Those five words are the words—

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order. In recent seconds it has been impossible for the Chair to hear what the hon. member has to say.

Mr. Matheson: Those five words are the words "based on Social Credit principles". Leaving them out would surely not change the objectives of the hon. member's amendment and would demonstrate the sincerity of his profession in this his maiden speech in the Commons, namely that he wishes to put statesmanship ahead of petty politics. Leaving those words there can only be regarded as a political device to ensure the defeat of a motion which, if sincerely put forward, the hon. gentleman must want the house to accept. If he will agree to the removal of these five political words, every Liberal member in this house will support it. I commend to the hon. member for Red Deer the few lines from the writings of Roy Campbell:

> I will go stark, and let my meanings show,
> Clear as a milk-white feather in a crow
> Or a black stallion on a field of snow.

May I as a lawyer—

An hon. Member: You sound like one.

Mr. Matheson: —make a reference to a statement of the Prime Minister this afternoon which we cannot allow to pass in silence. The Prime Minister asserted that the emergency exchange program of 1947 was brought into force by order in council for which there was no statutory authority. The Prime Minister must know that the orders in question were passed under the Foreign Exchange Control Act, and that they could have no possible legal effect without statutory foundation. If I may, I should like now to touch on something that was discussed at some length today by the Prime Minister and by the Associate Minister of Defence (Mr. Sevigny). I am referring to those words in the speech from the throne which refer to the meeting of commonwealth prime ministers. Part of the speech states as follows:

> The commonwealth conference discussed Britain's negotiations with the European economic community and the economic and political implications for the commonwealth and its members of possible British accession to the community.

The speech then goes on to say this:

> Canada has a vital concern in these issues and the government will spare no effort to safeguard the interests of Canada while preserving the unity and strength of the commonwealth as a whole.

I should like to speak for a moment on this matter that is so important to everybody I am sure in Canada. In doing so, I think back to the time years ago when I was a small boy and had a younger neighbour who at times was irritating. Occasionally I was tempted to use my slightly greater size and administer a little bit of punishment. Whenever I got him on the ground he used to say, "Now John, remember you are British". That is the challenge we put to the Prime Minister tonight on this matter. We should like him to think of this matter in the sense that he is British. Barbara Ward, in her interesting little book written recently says this:

> I suppose we are all aware of the fact that we live in the most catastrophically revolutionary age that men have ever faced.

In 1936 H.A.L. Fisher wrote from the English point of view a book entitled "A History of Europe". It was an excellent book. The preface to that book is cynical because in it he said this:

> One intellectual excitement has been denied me. Men wiser and more learned than I have discerned in history a plot, a rhythm, a predetermined pattern. These harmonies are concealed from me. I can see only one emergency following upon another as wave follows upon wave.

All he could see was the play of the contingent and the unforeseen. I think the tragedy of our time in Canada is the kind of leadership we have now. Since 1936 great things have happened and there are patterns and harmonies that can be seen by those who have eyes and wish to see. When we look at this British subject today, I think we must look at it with a bit of depth.

May I refer to some of the problems of just a few years ago in world war I which we so quickly pass over and forget. I ask this house to recall that in the battle of the Marne in August 1914, France lost approximately 300,000 men. In that great battle, which some members of this house will remember, and which is spoken of as the miracle of the Marne, France actually held the situation together in Europe. The war memorial of St. Cyr to the class of 1914 is to the class as a whole. At Verdun we had practically the massacre of the French nation in the spring of 1916. The battle of Verdun extended over seven months. Those of us who are British in our background and our traditions remember the appalling butchery at Verdun. There are many Englishmen who think of France in terms of Verdun and the heroism of Verdun. Following that you will recall there were four months of the great battle of the Somme. Germany lost 500,000 men at that battle, the British 410,000 men and the French 190,000 more men. Some people in this house have some knowledge of the events of 1917: Ypres, Passchendaele. Two of the best men in my family remain there because of those battles. Then there was Cambrai and the battles that followed.

When we look at this great British problem facing us today I ask hon. members to think of it in terms of depth of this tragic history of war. France lost one out of 28 of the population. One out of every 28 was destroyed in death in world war I. Germany lost one out of 32 and England lost one out of 57. That is one of the reasons that Wilson approached this whole situation of Europe from the standpoint of an idealist and an outsider, a man who had been a keen student of the international scene, although he was in every sense an American. He put forward 14 points which became something of a vision to the rest of the world. You remember that these 14 points included open covenants of peace; freedom of navigation, removal of economic trade barriers and a great association of nations. Wilson summed up his ideas, you will recall, at the end of world war I by saying that what we are striving for is a new international order based upon the broad and universal principles of right and justice. Historians have described Wilson as forthright and stiff. Tiger Clemenceau—they say his belief in France was noble and sincere, but she was the only thing in which he believed. The French had suffered very grievously and they were cynics. Lloyd George was hampered by the ferocious demands of the British public. Their cry was, "Hang the Kaiser".

As we look back on that terrible time in history we can see that the spirit of the league of nations and the spirit of the treaty of Versailles were utterly incompatible. You recall, Mr. Speaker, that T. E. Lawrence, who gained his experience in the desert said that when we fought together we were thinking in terms of a new heaven and a new earth. Then he said that when we won the war and came home we found the old men came out, brought out all their old ideas and the victory escaped us. This is the situation we believe could develop today. We do not want old ideas. We do not want any old views. This is a time for new wine in new bottles. We want British vigour, British idealism and British traditions put to work in the modern world which has greater possibilities than any time in the history of mankind.

Christopher Dawson is an Oxford man who tells us that actually there has been more accomplished in the last 200 years from a standpoint of human progress, in spite of the butcheries and brutalities of recent years, than in all of recorded history before that time. Are we prepared to adjust to new situations or not?

I was mentioning, too, to this house, sir, something of the disappointment the people suffered in respect of the conclusion of world war I. Let me refer to an economist. I know some of the gentlemen on the treasury benches do not think very much of economists, but this is a man about whom we have had to think pretty seriously because he has had a great influence on events in Britain and indeed in this country, in the United States and in academic circles all over the world. I refer to J. M. Keynes. Lord Keynes was perhaps best known in early days for his book, The Economic Consequences of the Peace. You will recall that it was written at Cambridge in 1919. Let me refer this house to a few passages in this important historic book with respect to Europe, England and France.

He says that before 1870 different parts of the small continent of Europe had specialized in their own products; but, taken as a whole, it was substantially self-subsistent. He says that Europe, if she is to survive her troubles, will need so much magnanimity from America that she must herself practise it. It is useless for the allies, hot from stripping Germany and one another, to turn for help to the United States to put the states of Europe, including Germany, on to their feet again.

If the general election of December, 1918, had been fought on lines of prudent generosity instead of imbecile greed, how much better the financial prospect of Europe might now be.

Then, he goes on in this important book, which is actually one of pessimism, and he tells us that Europe consists of one of the densest aggregations of population in the history of the world. This population is accustomed to a relatively high standard of life in which, even now, some sections of it anticipate improvement rather than deterioration. He says that to succeed they must work together; they cannot possibly survive alone; that it was dangerous and destructive, for example, to take iron and steel and separate them, to put a boundary between them. He says that peace has been declared at Paris, but winter approaches. Men will have nothing to look forward to or to nourish hopes on. Who can say how much is endurable or in which direction men will seek to escape from their misfortune?

Then, he tells us that the opportunity was missed at Paris during the six months which followed the Armistice and that they will never be able to recover. He says that by a moderation of the clauses of the Versailles treaty, particularly related to coal and the exchange of iron ore there could have been a continuance of Germany's industrial life with great advantage to the production of the whole group and that a free trade union comprising the whole of central, eastern and southeastern Europe, Siberia, Turkey and the United Kingdom, Egypt and India might do a great deal for the peace and prosperity of the world.

If we read that book carefully, sir, we see actually many conclusions in it that are very similar to the conclusions that we find in *Mein Kampf*. The only thing is that he is looking at it from the point of view of a scholarly, broadminded Britisher, and Hitler was looking at it from the standpoint of a defeated person with a perverse psychiatric disorder. These two people looked at the same problem and actually what was predicted by Lord Keynes in 1919 came to pass. There was not the same destructive effect in Europe in world war II to armed forces but when we consider the destruction of civilians, the millions and millions of Jewish people, the many emigres of one kind and another, we must surely feel that this new thing that is happening in Europe today is something we must prayerfully consider.

I am going to ask you, perhaps, to leave that subject for a moment and look at England itself. Churchill tells us that England was at one time part of the continent. A wide plain joined England and Holland, in which the Thames and the Rhine met together and poured northward. A tremor caused the plain to sink a few hundred feet. Eventually another tremor occurred which separated the coast of Dover from Cape Gris Nez, and then tides did the rest. Actually, 55 years before our Lord the legions of Caesar were able to go to Britain and recognize very interesting similarities between people who had the same Celtic characteristics, in spite of their insular background.

What is the background, then, with respect to this British nation? I do not want to be facetious, but again going back to Churchill as an authority, he says that William, the illegitimate son of Robert, Duke of Normandy, and Arlette, a pretty tanner's daughter whom he saw washing by a stream, did not have a future in France. William's social position would not commend the respect he needed, and therefore he conquered England and established a new aristocracy. We can easily recognize that amongst the Scots there is a strong German strain, the same appeal of blood and kinship; among many British Druids and Gauls there is a very close relationship. There is an affinity between the Irish and the Spanish. In other words, the fact of the matter is that England has never been really separated from Europe.

Mr. Deputy Speaker: Order; I am sorry to interrupt the hon. member but I hear a fairly substantial buzz of conversation in the chamber, which I think is rather unfair. I would ask for the co-operation of all to give the hon. member a reasonable hearing. Perhaps this conversation could be continued after ten o'clock.

Mr. Matheson: Sir, I have very little time left so I shall go on as rapidly as I can. We all recall the offer of the British cabinet on June 16, 1940 to France when General de Gaulle was authorized to offer Mr. Renaud an Anglo-French union. The offer was to the effect that the two governments declare that France and Great Britain no longer be two nations, but one Franco-British union; that every citizen of France will enjoy immediately citizenship of Great Britain and every British subject will become a citizen of France.

Just within the last few days I read something by Russell J. Clark, principal of the economic intelligence department of the Westminster Bank, London who said:

> Britain could become the political leader of Europe by joining the common market.

This is true because Italy and the Benelux countries are not happy with the idea of France or Germany becoming dominant.

France and Germany would both like to take the lead, but each would defer to Britain rather than to the other, not because of Britain's powerful industrial resources but because Britain has been able to show something to the world about statecraft and the development of principles of constitutional authority and democratic strength.

Surely we are the heirs of that great tradition, we the oldest member, a member for some 100 years, of this great and glorious family. Surely these times present new opportunities for us.

Barbara Ward, now Lady Jackson, an editorial writer of the *Economist* tells us that the most important thing about Britain's entry into Europe at this time is that Europe will then have a new outlooking attitude. It must not become the rich man's club. It will be England that will eventually join up North America and Europe.

We know this is the plan that Winston Churchill had for many years. He attended a meeting at The Hague in 1948, at which Leon Blum represented France, and said that the time had come for the European nations to co-operate and each give up some portion of its sovereign rights. I say that this point of view is completely incompatible with the kind of words we heard from the Associate Minister of National Defence (Mr. Sevigny), who is taking the narrow, nationalist attitude at a time when most countries in the world could benefit by the larger approach, this international approach, and particularly by the marriage between these two nations which have been the foundation of Canada—France and Great Britain.

I am not talking only about peace, although 20 years ago all we asked was the chance to come back to Canada to live and get by without further war. That has been granted us and the mistakes of Versailles have not been made this time. In large measure this was due to the Marshall plan and I only wish I had time to develop my remarks with regard to it. However, the leadership came not from Canada, not from us who are the heirs of the British tradition, but from the United States. The Marshall plan gave the world a new start and now there are great possibilities ahead for us if Britain implements its forward looking, brave policy of joining Europe.

We should look at some of the literature coming out of Germany. Ludwig Erhard has said:

> Our economic task—the employment of over 12 million more people than before the war—cannot be carried through but must founder in a cul de sac unless we create more air.

Britain needs more air too. The real situation is that Britain must survive. She must be strong and must be great. In the councils of Europe and the councils of the world mother Britain can give a leadership that she has not given in recent years. This challenge now comes to Canada but we are faced with the fact, even in the speech from the throne, that Canada is not prepared to accept the challenge.

Emerson says that genius is not knowing more than another person, not being more knowledgeable, but rather the characteristic of acclimatizing oneself to the particular challenges and opportunities of the moment, and with common sense and wisdom taking advantage of these events and moments.

"Sterile" was the word originally used by the London *Times* to describe the negative attitude of the Prime Minister of Canada, and of his government throughout, with respect to developments far reaching in their consequences not only to Canada but to every human being in the world. Britain's entry into Europe can provide a depolarization of the world from the perilous situation where two great powers, Russia and United States might again lead us into a world war.

We believe in the north Atlantic community. It is a challenge and we believe that it will come to pass. We must face up to the opportunities it presents, and shape our economy to meet them. The Prime Minister was trying to draw an analogy between the exchange crisis so recently experienced by his government and the so-called crisis in 1947. I would remind the house that the crisis in 1947 arose because Canada, having poured out her material resources during the long years of the second world war, was then pouring out even more for the assistance of England, and thank God she did. Now the situation is that if Canada withdraws her strength and her power from Europe, from NATO and even from Britain she will obstruct England in her fight for survival.

Mr. McIntosh: That is nonsense.

(Translation):

Mr. Real Caouette (Villeneuve): Mr. Speaker, my first words will certainly be to congratulate the mover and the seconder of the address in reply to the speech from the throne (Mr. Chaplin and Mr. Vincent), who performed their tasks exceptionally well and said very interesting things.

Since the opening of this parliament, I have been given the opportunity of making a few observations and also a few comparisons with the time I was sitting in this house, that is from 1946 to 1949.

One often hears it said that years come and go but are not the same. I have found, since yesterday, that years do come and go and that they are often the same. While I

was here, in 1946, 1947 and 1948, things in this house were the other way around. The Liberals were sitting on the other side and the Conservatives, on this side.

When they were in opposition, the Conservatives spoke exactly like the Leader of the Opposition did for four hours without saying anything. The Conservatives who were then in opposition are now in power and they sit on your right, Mr. Speaker, and curiously enough, they are saying at this time exactly what the Liberal leaders were telling us in 1947, 1948 and 1949.

We are presented with a speech from the throne which should bring improvements to the lot of the Canadian people. Well, in that speech from the throne we see some projects outlined but no precision. Let us maintain austerity in a country as rich as Canada.

When have you ever seen, in Canada, a worm in a big apple starve to death because the apple was too big? When have you ever heard that, in a tropical country, a monkey on a banana tree starved to death because there were too many bananas on the tree?

And yet, here in Canada, where everything is plentiful—not one member in this house can say otherwise—there are 500,000 unemployed, and it is expected that their number will increase during the coming winter. We are told of misery in the midst of plenty.

When the Social Creditors ask for legislation that, instead of attacking private industry, instead of attacking the individual, would attack the financial system that does not take into account any of our country's physical possibilities, what do we hear? Statements of the kind we heard this afternoon: "Let us print more money. Let us print more money, without giving it any thought."

The matter was discussed not long after the elections on June 18, because after June 18 the Liberals and the Conservatives in Quebec held meetings to ask themselves: What is that Social Credit upsurge in the province of Quebec? Twenty six members here; 30 in all of Canada, but 26 from Quebec.

As I was saying, consideration was given to the upsurge of Social Credit. How could one account for the election of 26 Social Crediters?

I would gladly have suggested to both the Conservatives and the Liberals that they study the Social Credit doctrine itself instead of racking their brains. They would have seen what this is all about.

At this time, I should like to thank most sincerely the hon. member for Grey-Bruce (Mr. Winkler) who has kindly relinquished his time tonight because I must be in Montreal tomorrow. A thousand thanks to the hon. member.

Mr. Speaker, our country is undoubtedly extremely wealthy and yet, the Canadian people are constantly given the impression that it is absolutely impossible to develop our natural resources without foreign investments.

Now, there is nothing more stupid in my opinion than for our government to go around New York or Boston or elsewhere in the wide world, begging for leave to finance the development of our natural resources.

We have our wealth of natural resources, we have engineers, qualified personnel, labour force, we have men of good will, we have a Canadian society made up of all social classes, all prepared to undertake the development of our natural resources and increase our gross national product.

We have all that, but because we lack financial authority to put everything into operation, we allow bankruptcies to occur increasingly in Canada, we allow thousands of unemployed to live in near squalor and we can find no solution to such a situation and when the Social Crediters submit their solutions we hear such comments as those made by a member of the opposition a moment ago: "Strike out the words Social Credit from your amendment to the amendment and we will be prepared to support it".

It is quite clear, if Social credit was taken out of the program, we would be sitting with the Liberals or the Conservatives. That is precisely why my friends and myself are sitting here, but after the next election—which will come too soon for the Leader of the Opposition—at the very first opportunity we shall sit across the aisle instead of this side.

The inconsiderate printing of money has never been part of the Social Credit platform, and hon. members in this house know it.

What we of the Social Credit party advocate is that there be as much money as products and services for consumers, that is all. To the extent that Canadians promote production, let the Bank of Canada print the necessary money to enable production to meet the needs of the people. That is common sense regardless of political allegiance.

The emphasis is on ever-increasing productivity, while we talk about greater productivity. At the same time, we notice that a

feeling of insecurity is growing everywhere in Canada. More and more, unemployment is plaguing our country. Everywhere, we hear the opposition, we hear the government, we hear our socialist friends preaching full employment: "A job for every Canadian". The more full employment is being talked about, the more automation and unemployment face us at home today.

What is the solution of the political parties, of the politicians and of the economists of Canada to the problem of automation now existing in our country and which will be called upon to play an increasingly important part in the next few years?

We are being told that it is a mathematical impossibility, a physical impossibility to create new jobs in the circumstances. Inasmuch as scientific progress replaces men in Canada, there is only one way to ensure the expansion of our industry: it is to give to the Canadian men, women and children a purchasing power which will allow them to buy the products of science, of machine, and of our industry. We shall therefore respect the human person, private property, private organizations, and private industries. At the same time we shall give to all Canadian citizens prosperity, security and freedom.

The problem of unemployment is not a problem of production or sentiment for Canadians, but a financial problem which is in the hands of consumers. When the consumers themselves will be able to finance an adequate national production, then we shall have security with greater freedom for each individual in Canada.

There is tight money in spite of unsuspected wealth; that is the result of the present system. Nobody dares attack the monetary system—yet it is that system which is defective. It is rather the individual who is attacked by debasing his personality. The human being is to be depersonalized.

There is more and more talk of economic planning. But when speaking of economic planning, many people—mostly those who are called ignorant—never have understood the country's economy. Those people believe in planning. It is my firm belief and deep conviction that it is not planning that we need in Canada, but rather money to allow us to do our own planning ourselves.

Let's take my own case. When I have money, I don't need the federal nor the provincial government to tell me what to do or not to do. I am free to do what I please. Others are not more stupid than I am. The government is substituting itself to human personality and subjecting it to shackles and plans. It is precisely against such shackles and plans that we are fighting everywhere in Canada at present.

Not so long ago, a little boy told me after the election: "Mr. Caouette, come and see my new-born pups." So I went to that little boy's place and in a two by two box I saw seven puppies.

An hon. Member: That's an old one.

Mr. Caouette: As old as my friend, it amounts to practically the same thing.

In the corner, are the seven puppies with their eyes closed (like my friend of the Liberal party who has just interrupted me), because puppies do not open their eyes before nine or ten days. Those puppies, through instinct alone, could find their mother in the far corner of the box even with their eyes closed. Deprived of intelligence, they could nevertheless reach the source of abundance.

We are intelligent, our eyes are open, but we are unable to see the abundance in Canada. How can such a thing happen.

Mr. Speaker, I could have set up a government for the seven puppies, with a system of shackles and plans, and told the yellow puppy: "You shall not go to your mother immediately" or told the black puppy: "You shall go at such or such a time". I could have prevented them from ever reaching their mother in the other corner of the box. I could even have starved them to death. This is exactly what the Liberals gave us for 22 years and what the Conservatives are giving now.

Mr. Ryan: Would the hon. member permit a question?

Mr. Caouette: Sure.

Mr. Ryan: Do these puppies need money?

Mr. Caouette: They use their instinct, while the hon. member has neither one nor the other.

(Translation):

And yet it was the Liberal leader, in 1935 the Right Hon. William Lyon Mackenzie King, who said, and I quote:

(Text):

Once a nation has deprived itself of the control of its currency and credit it matters not who makes the law. When in control, usury will wreck any nation.

(Translation):

However, he never acted upon this solemn affirmation or declaration made in August, 1935, and it is for all these years that Social Credit, not only in Quebec but everywhere in Canada, has been asking for the return to

parliament of this sovereignty, concerning money and credit in Canada, and insists on the issuance of orders to the Bank of Canada to the effect that what is physically feasible and desirable for Canada should be made financially possible. When we have the opportunity and the physical capacity to do something, to develop our natural resources, let the question of money be subordinated to these possibilities and money itself be put to their use, instead of seeing them nullified or left untapped owing to the lack of funds and credit.

One often hears those who oppose Social Credit say that there is no lack of money in the country. They say no, there is enough money but it is not circulating fast enough. In fact, it is somewhat like a rabbit caught in a hollow log 16 feet long. The rabbit will run from one end of the log to the other and when he sees you at one end, he will run to the other end; if he sees someone there, he runs back to the other end. Then, you ask yourself this question: At what time or at what speed must the rabbit run inside the log so that he can be seen at both ends at the same time. That is the speed of circulation of money in Canada.

It is said that there is no shortage of money in Canada, but how is it possible that 85 per cent of the Canadian people borrow from finance companies on two, three, four and even five year terms?

In the field of housing, mortgages are granted for periods up to 35 years. If these people had enough cash, they would not have to borrow from finance companies at interest rates as high as 20, 25 and even 30 per cent or to mortgage their salaries for the next three years to buy this year's production.

In two or three years, we will still have to face another more serious problem, just because the problem of money and credit will not have been solved. We are of the opinion that many reforms are needed in Canada, but none of them will be possible as long as a monetary reform has not become a fact, as long as we have not succeeded in putting the Bank of Canada at the service of the Canadian people instead of having the Canadian people at the service of a money dictatorship.

Mr. Speaker, we feel that the only way to reform the money system in Canada, at the social, economic or political level, is to think mostly of the consumer not the producer. Goods are being produced but as I say, the problem is that the consumer does not have the money to purchase the goods and services which are offered to him.

Why not tackle that problem and solve it once and for all? Afterwards, we could embark upon the necessary reforms at the economic and political levels, if you wish, and even at the social level, but the key to the problem remains the reform of the money system.

Some say that money is unimportant. No, money is not important for members of parliament and for big industries, but it still has some importance for most people. In a sense, money plays the role of a key in a door lock. If you wish to get inside a castle, the castle assuredly is more important than the key to it; however, if you do not have the key and the door is locked, you will simply be left standing outside. But on the other hand, if you hold the key with which to unlock the door, you will have access inside, and to the beauties of the castle, since the key will have done its job. Money should play exactly the same role in a well-organized and well-balanced economy.

Mr. Speaker, we hear people telling us of budget balance and balanced budgets. What does a balanced budget mean? What lies behind that? It is that the government decides not to spend more money than it has levied in taxes upon the people it governs and not to spend more than the total amount of tax collected at all levels. The economic activity of the country is thereby restricted, and instead of increasing the purchasing power up to the level of production, an effort is made to slow down production to the level of the buying power. By whom was this decision taken? By the majority of Canadian financiers who have exerted a great deal of influence. Everyone says that 75 to 80 per cent of the Canadian economy is in the hands of Americans, and yet we claim that we are a sovereign country in the free world.

We must regain possession of our rights and means of production through the agency of the Bank of Canada, a financial institution which belongs to the Canadian people. Let the Bank of Canada create credit at the same rate as the Canadian people produce goods and services.

We have recommended increased purchasing power not only during the electoral campaign but for the past 25 years in Quebec and for 30 years in the rest of the country. We have suggested various means of achieving

Division

this end. For example, the Leader of the Opposition repeated yesterday a suggestion already put forward by Social Crediters since 1945, that is to grant family allowances to all children who continue their studies until they are 21 years old. The Liberals have at least learned from Social Credit.

Then, we request the establishment through the Bank of Canada, of a new kind of credit based on the surplus of production over our total national revenue. Creation of that new source of credit through the Bank of Canada, would permit an increase of the old age security rates and its payment to those 65 or over, without means test and to those between 60 and 65, following a means test. This would permit a substantial increase of the old age pension which would allow our senior citizens to make a decent living in such a wealthy country as ours.

We also suggest an increase of family allowances proportionate to the cost of living.

Everybody knows that the cost of living has more than doubled since 1945 and that in 1956, family allowances were increased by the fabulous amount of $1 per child by the Liberals.

Mr. Speaker, we also suggest that no income tax be levied on any income of less than $5,000 a year. We, as members of the house, enjoy an almost identical exemption and we are quite happy about it. If that tax exemption is justified for members of parliament, it should also be justified for the voters who elected them last June 18.

Mr. Speaker, before closing, I wish to say to all members that we are in this parliament not only for one year but for several sessions. I am convinced that as soon as possible the whole of Canada will elect a Social Credit government which will put money to man's service. This is the wish I express before taking my seat.

(Text):

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

YEAS

Messrs:

Beaulé
Bélanger
Bernier
Boutin
Caouette
Chapdelaine
Cook
Côté
Dionne
Dumont
Frenette
Gagnon
Gauthier
Grégoire
Lamy
Langlois
Laprise
Latulippe
Leboe
Lessard (Lac Saint-Jean)
Maltais
Marcoux
Olson
Ouellet
Patterson
Perron
Plourde
Rondeau
Roy
Thompson—30.

NAYS

Messrs:

Addison
Aiken
Alkenbrack
Argue
Asselin
Badanai
Balcer
Baldwin
Barnett
Baskin
Batten
Béchard
Beer
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Benidickson
Benson
Berger
Bigg
Boucher
Boulanger
Bourbonnais
Bourque
Bradley
Brewin
Brown
Burgess
Byrne
Cadieu (Meadow Lake)
Cadieux (Terrebonne)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Cardiff
Cardin
Caron
Carter
Cashin
Casselman, Mrs.
Chaplin
Chatterton
Chevrier
Chown
Churchill
Clancy
Clermont
Clunis
Coates
Cooper
Cowan
Crestohl
Crossman
Crouse
Davis
Denis
Deschatelets
Diefenbaker
Dinsdale
Doucett
Drouin
Drury
Dubé
Dupuis
English
Enns
Ethier
Eudes
Fairclough, Mrs.
Fairweather
Fane
Fisher
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Forgie
Foy
Fulton
Garland
Godin
Gordon
Grafftey
Granger
Gray
Green
Grills
Gundlock
Habel
Haidasz
Hales
Halpenny
Hamilton
Hanbidge
Hardie, Mrs.
Harkness
Harley
Hees
Hellyer
Herridge
Hodgson
Honey
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howard
Howe
Jones
Jorgenson
Kelly
Kennedy
Kindt
Knowles
Korchinski
Lachance
Laing
LaMarsh, Miss
Lamoureux
Laniel
Leduc
Legaré
Legere
Lessard (Saint-Henri)
Létourneau
Lewis
Loiselle
Macdonald, Mrs.
Macdonald (Rosedale)
MacEachen
MacEwan
MacInnis
Mackasey
MacLean (Queens)
Macnaughton
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McGee
McGrath
McIlraith
McIntosh
McLean (Charlotte)
McMillan
McNulty
McPhillips
McWilliam
Mandziuk
Martin (Essex East)
Martin (Timmins)
Martineau

[Mr. Caouette.]

Division

Mather
Matheson
Matte
Meunier
Millar
Mitchell
Monteith
Moore
More
Morris
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Munro
Nasserden
Nesbitt
Nicholson
Nielsen
Nixon
Noble
Nowlan
Nugent
O'Hurley
Orlikow
Ormiston
Otto
Pascoe
Paul
Pearson
Pennell
Peters
Phillips
Pickersgill
Pigeon
Pilon
Prittie
Pugh
Rapp
Ricard
Richard
Rideout
Rinfret
Robichaud
Robinson
Rochon
Rock
Rouleau
Rowe
Roxburgh
Ryan
Rynard
Sams
Sauvé
Scott
Sévigny
Simpson
Skoreyko
Slogan
Smallwood
Smith (Calgary South)
Smith (Simcoe North)
Southam
Starr
Stefanson
Stenson
Stewart
Tardif
Teillet
Thomas
Tucker
Turner
Valade
Vincent
Wahn
Walker
Webb
Webster
Weichel
Whelan
Winch
Winkler
Woolliams—233.

Mr. Speaker: I declare the amendment to the amendment lost.

I recognize the hon. member for St. John's West.

Mr. Cashin: Mr. Speaker, may I call it ten o'clock?

Mr. Speaker: It now being ten o'clock this house stands adjourned until two thirty o'clock tomorrow afternoon.

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

HOUSE OF COMMONS

Wednesday, October 3, 1962

The house met at 2.30 p.m.

EXPROPRIATION ACT

MEASURE TO REPLACE AND EXTEND PRESENT LEGISLATION

Hon. Donald M. Fleming (Minister of Justice) moved for leave to introduce Bill No. C-50, respecting the expropriation of land.

Mr. Pickersgill: Explain.

Mr. Fleming (Eglinton): This is a comprehensive measure relating to government expropriation. It will replace the present Expropriation Act. It is more than a mere codification or consolidation; it will introduce new provisions as well.

Motion agreed to and bill read the first time.

SMALL LOANS ACT

AMENDMENT TO REDUCE MAXIMUM INTEREST RATE

Mr. David Orlikow (Winnipeg North) moved for leave to introduce Bill No. C-51 to amend the Small Loans Act.

Mr. Speaker: Since we are now about to deal with private bills I think I should repeat the caveat I made the other day when so many were moved for the first time.

Mr. Frank Howard (Skeena): I rise on a point of order, and ask that you apply that caveat to government bills as well, because they could equally be out of order.

Mr. Speaker: I regret I did not hear what the hon. member said.

Mr. Howard: My point is that the other day, and again just now, Your Honour entered a caveat with respect to bills standing in the names of private members. It is my suggestion that you should apply it also to bills standing in the names of members of the government, because they could also be at variance with the rules of the house.

Mr. Speaker: That may be so, but it is my opinion that bills introduced on behalf of the government have already received the scrutiny of the Department of Justice.

Mr. Howard: And that is infallible?

Mr. Speaker: I might point out that as far as bills which now appear before us for the first time are concerned, it is conceivable that one could be taken from a file on an hon. member's desk in typewritten form and presented to the Speaker, and I must therefore insist on the caveat which I voiced the other day.

Motion agreed to and bill read the first time.

AMENDMENT REQUIRING STATEMENT OF TRUE INTEREST RATE CHARGED

Mr. David Orlikow (Winnipeg North) moved for leave to introduce Bill No. C-52, to amend the Small Loans Act (advertising).

Motion agreed to and bill read the first time.

INTEREST ACT

AMENDMENT TO PLACE CEILING ON INTEREST RATES

Mr. David Orlikow (Winnipeg North) moved for leave to introduce Bill No. C-53, to amend the Interest Act.

Motion agreed to and bill read the first time.

NATIONAL PRODUCTIVITY COUNCIL

REQUEST FOR STATEMENT ON REPORT OF SPECIAL MISSION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. In view of the announcement yesterday of the findings of the special mission to Europe of the national productivity council, to the effect that there were serious gaps in management-labour-government arrangements on economic and social problems in Canada, will the minister say whether he will take immediate steps to bring together responsible representatives of government, labour and management to study the report of the special mission, and to explore measures to be undertaken to deal with these problems?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, we have been studying these matters for quite some time. We have had several conferences between senior representatives of management and labour, one in Ottawa a year and a half ago and another last spring at Queen's University, both

very extensive conferences. My department and the productivity council are working continuously with labour and management to try to bring about the same degree of labour-management-government co-operation—which has proved so effective in the countries of western Europe.

Mr. Martin (Essex East): A supplementary question. In view of his reply may I ask the minister, who obviously has not read the special report announced yesterday, what steps the government is taking to meet the requests made by the president of the Canadian Labour Congress, Mr. Jodoin, with regard to his membership on the productivity council?

Mr. Hees: Mr. Speaker, the president of the Canadian Labour Congress chose of his own free will and accord, and for reasons of his own and of his congress, to resign his membership on the productivity council. The productivity council was sorry to learn of his decision to resign, and we hope it will not be long before perhaps he will reconsider and be back again as a member of the council.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, a supplementary question. May I ask the minister whether the government has asked the national productivity council to give consideration to putting labour's members on the council on a representation basis, as asked for by Mr. Jodoin?

Mr. Hees: Mr. Speaker, as Mr. Jodoin announced when he told members of the press of his resignation, he mentioned a letter I had written to him outlining the government's wish that, at such time as the membership of the productivity council should be increased —and we hope that at some time in the future it will be—then the wishes he has put forward as to representation of labour on that council will be considered.

[*Later:*]

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Prime Minister whether it is the intention of the government that its proposed national economic development council, if it were established, should take over the productivity council?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not think that is a proper question.

Some hon. Members: Oh, oh.

[*Later:*]

Mr. J. A. Byrne (Kootenay East): I wish to direct a question to the Minister of Trade and Commerce. Does the minister consider the resignation from the national productivity council of Claude Jodoin an indication of a lack of confidence of all organized labour in this body, or does he contemplate the appointment of an alternative labour representative?

Mr. Speaker: Order. I believe the main purport of the question has already been answered by the minister in a reply to a question earlier this afternoon regarding the participation of Mr. Jodoin in the work of the productivity council.

Mr. Byrne: I have a supplementary question. Does the minister care to say whether he is considering the appointment of an alternative representative on this council, not necessarily from labour?

Mr. Hees: Not at the present moment, Mr. Speaker.

[*Later:*]

Mr. J. R. Nicholson (Vancouver Centre): Mr. Speaker, I have a supplementary question to the one directed to the Minister of Trade and Commerce. I wish to ask the minister if in the light of contemplated changes, necessary changes in the set up of the national productivity council by reason of resignation, consideration has been given to the appointment to the national productivity council of representatives of the universities.

Mr. Hees: Mr. Speaker, we have not gone into that much detail as to the specific people who might be asked at some future time, when the membership of the productivity council might be increased.

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Would the Minister of Trade and Commerce make it clear that as the productivity council is now organized, nobody on it represents anything.

Mr. Benidickson: Just the Tory party.

Mr. Hees: Mr. Speaker, I think it is very obvious to all hon. members of the house that the information the hon. member desires to be given to the house is pure nonsense.

PUBLIC SERVICE

REQUEST OF CIVIL SERVICE ASSOCIATION FOR SALARY INCREASES

On the orders of the day:

Mr. Reid Scott (Danforth): I should like to direct a question to the Prime Minister. In view of the press report in the *Globe and Mail* of October 3, 1962, that the civil service association of Canada yesterday sent a telegram to the Prime Minister demanding that the federal government immediately rescind its freeze on salary increases to 50,000 civil servants, will the Prime Minister tell the house what consideration he is giving to this request?

Right Hon. J. G. Diefenbaker (Prime Minister): All I can say is that the information being sought is along the lines of that requested on several occasions. When the government is in a position to make a declaration in this regard it will be made.

Mr. Scott: Will the Prime Minister tell us what we are to say to these 50,000 people when we cannot get any response in this house?

Mr. Speaker: Order. I believe the answer is self evident.

A. S. WHITELEY—INQUIRY AS TO EXTENSION OF APPOINTMENT

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, on Monday last I asked a question of the Minister of Justice in his absence. It was probably drawn to his attention by his parliamentary secretary, and I should like to ask it again, with your permission. Has Mr. A. S. Whiteley, a member of the restrictive trade practices commission, been given notice that on the expiration of his term in a very short while he will not be reappointed and, if so, will the government reconsider its decision?

Hon. Donald M. Fleming (Minister of Justice): Mr. Speaker, the terms of office of two of the members of the restrictive trade practices commission, Mr. Whiteley being one of them, expire on October 31, and they have been informed as a matter of courtesy that it is not the government's intention to appoint them for new terms.

(Translation):

INQUIRY AS TO IMPLEMENTATIONS OF COMMISSION RECOMMENDATIONS

On the orders of the day:

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to direct a question to the Prime Minister.

Could he tell the house if his government will soon grant to civil service employees the increase recommended by the commission in its October, 1961, report.

Mr. Speaker: I believe replies were given on this matter yesterday, the day before yesterday or last Friday. The question was similarly put. Therefore, I do not think we are speeding things up by again asking questions which have already been answered.

(Text):

INDUSTRY

CANADIAN OIL COMPANY—SUGGESTED POSTPONEMENT OF TAKEOVER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, while I have been nipped in the bud once, I blossom forth again on this subject in view of the urgency of the question and of representations made to me. In view of representations I have just received urging me to ask again about the government's attitude to the bid by Shell Oil to take over the Canadian Oil Company, would the Prime Minister assure the house that he will urge the directors of the Canadian Oil Company to put Canada first?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as the hon. gentleman knows, the government has no authority in this regard. It is beyond the jurisdiction of the government to act in his behalf, however desirous all Canadians are that ownership and management of our resources be in Canadian hands. Any action suggested by the hon. gentleman would be gratuitous on the part of the government.

BUSINESS OF THE HOUSE

THANKSGIVING DAY ADJOURNMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister and ask him whether, if this parliament is still in session, it is the intention of the government to have the house sit on Monday next, which is Thanksgiving day?

Right Hon. J. G. Diefenbaker (Prime Minister): I do not know about the preliminary portion of the question, or whether if it was not still in session that would be a reason for thanksgiving on the part of the opposition. If it is the general feeling of the house, as I believe it will be, that we ought not to sit on Thanksgiving day, I should be happy to make an informal motion in that regard if I were allowed to revert to motions.

Mr. Speaker: Is it agreed that the Prime Minister may have unanimous consent to revert to motions with regard to this particular subject?

Some hon. Members: Agreed.

Mr. Diefenbaker: Without formality I therefore suggest that a motion be placed before the house that we do not sit on Monday next, Thanksgiving day.

Mr. Speaker: Whether or not the Speaker came with his music today, I do not know; but in any event by unanimous consent Mr. Diefenbaker, seconded by Mr. Churchill, moves:

That when this house adjourns at 6 p.m. on Friday next it shall stand adjourned until Tuesday, October 9, 1962, at 11 o'clock a.m. and that the provisions of standing orders 2 and 6 be suspended in relation thereto.

Motion agreed to.

FINANCE

REPAYMENT COMMITMENTS UNDER CURRENCY EXCHANGE ARRANGEMENTS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to direct a question to the Minister of Finance. Has Canada met her repayment commitments to the federal reserve system of the United States, the Bank of England and the international monetary fund under the currency exchange arrangements of June, 1962?

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, the hon. member was good enough to give me notice of his intention to ask this question. With respect to No. 1, which was as to the government obligation, I can advise the house that no repayment obligation has as yet arisen in connection with Canada's drawing on the international monetary fund. With respect to the second part dealing with the arrangement between the central banks in question, may I say that the central bank arrangements referred to were for a period of 90 days and were renewable. They were renewed for a further period of 90 days on September 26 last.

REVIEW BY JUSTICE DEPARTMENT OF ORDER IMPOSING SURTAX

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Justice, or perhaps to the Minister of Public Works in his capacity as the former minister of justice.

Mr. Fleming (Eglinton): Make up your mind.

Mr. Knowles: If they will both listen that will be fine. Was the order imposing the surcharge on imports, to which the Prime Minister made reference in this house yesterday, referred to the Minister of Justice for scrutiny under the terms of the bill of rights, in view of the obvious fact that it is a case of taxation without due process of law?

Mr. Speaker: If the Minister of Justice is willing to answer the question, well and good, but I would feel at this time that it is seeking a legal opinion from the minister. That, of course, is not the purpose of orders of the day.

Mr. Knowles: With due respect, may I express the view that I am not seeking a legal opinion. I waited for some days to see whether there would appear on the order paper legislation confirming the surcharge on imports. When it did not come, I wondered what was happening. Yesterday the Prime Minister referred to the fact that the government had done this under statutory provision. That led me to look up the order in question, and I ask, was this order referred to the Minister of Justice for scrutiny to determine whether or not it complies with the terms of the Canadian Bill of Rights?

Hon. Donald M. Fleming (Minister of Justice): The order in council providing for the surcharges was passed by council in the exercise of statutory authority conferred upon it by this parliament. Legal opinion to this effect was obtained from the law officers of the crown, the appropriate source for this purpose.

Mr. Knowles: With respect, may I ask whether it was from the law officers of the crown or from the Department of Justice?

Mr. Fleming (Eglinton): I think most hon. members are aware that the expressions are, for practical purposes, synonymous.

CANADIAN NATIONAL RAILWAYS

TORONTO—REQUEST FOR SUSPENSION OF WORK ON BY-PASS

On the orders of the day:

Mr. B. S. Beer (Peel): I should like to address this question to the Minister of Transport. Is the minister aware of the telegram addressed to the Prime Minister from the township of Toronto requesting that work on the Toronto terminal by-pass project be—

Mr. Speaker: Order. I feel that this question is clearly in transgression of the spirit of the rules with regard to questions. I do not think it is quite in order merely to draw to the attention of the house that a telegram has been sent with regard to a particular subject. The information being sought by the nature of the question "has a telegram been received" I think may be obtained otherwise than through questions on orders of the day.

Hon. Paul Hellyer (Trinity): Mr. Speaker, I rise on a point of order. I think Your Honour might have listened to the question before ruling thereon. It is a matter of the expenditure of public money.

Mr. Speaker: Order.

Mr. Hellyer: If Your Honour will listen to the point of order—

Mr. Speaker: I realize that some of the subject matters may be important in themselves, but the question here at issue is the urgency of getting information on orders of the day, and if we limit ourselves to that I think we can get our lines cleared. I have made my decision with regard to that particular question, and we can now go on—

Mr. Hellyer: That is the question I should like to address myself to, if you will just hear me for a moment.

Mr. Speaker: I have made my decision.

Mr. Hellyer: You have not heard the question. How can you decide it is not urgent?

Mr. Speaker: One does not necessarily have to hear the whole of the question—

Some hon. Members: Oh, oh.

Mr. Speaker: —in order to determine the urgency of it. I trust that hon. members will keep this in mind. I will do my best to have appropriate questions presented and appropriate answers given at this time, and I think those members in particular who have been here for years and are experienced in this matter, especially those who may have been in the ministry in the past, will also realize the true nature of questions at this time of the day.

Hon. L. B. Pearson (Leader of the Opposition): May I ask for guidance from Your Honour? Is it your ruling that questions should not be asked in respect of telegrams conveying information regarding the possibility and the necessity of employment in areas of surplus unemployment?

Mr. Speaker: The point I am concerned with is the matter of asking about telegrams and so forth. I realize that there are various important problems in regard to constituencies, but I do believe that the type of question that is put may be corrected. This particular question may be asked in some other form. It was the same way earlier this afternoon. I was tempted but refrained from mentioning the nature of so-called supplementaries. I do not believe they were supplementaries. They were related questions and quite in order as such, but as supplementaries they are not true supplementaries. They are related questions. The hon. member, who has a related question, must desist now, let somebody else have the floor and await his turn. Then he can continue his questioning if he has a valid related question. But these questions are not supplementaries; therefore there is always the risk of their being ruled out of order as supplementaries. This is as I understand the rules with regard to questions, and I think we can move along from that point.

Mr. David Lewis (York South): On a point of order, Mr. Speaker, perhaps I did not hear it because I sit at this end, but would Your Honour be good enough to tell me what the question was that you ruled out of order?

Mr. Hellyer: Will you hear argument on the urgency of the question which was being asked at the time you ruled? If you will, sir, I put forward with deference that this is a matter of urgent public importance.

Mr. Speaker: I believe the hon. member has seen the course I have indicated. I have not ruled out questions on that particular subject. I have ruled out the question on the basis of the way it was being asked, and I think the line is quite clear now. If the hon. member will rephrase his question in a way that is acceptable to the Chair, then I am quite prepared to hear him.

Mr. Hellyer: Will Your Honour now listen to the balance of the question?

Some hon. Members: Sit down.

Mr. Hellyer: It is a matter of urgent public importance.

Mr. Speaker: I repeat that a question in that form is not acceptable to the Chair.

[*Later:*]

Mr. Beer: Mr. Speaker, I apologize for my ineptness in phrasing my first question. I have now reworded it and would like to address it to the Minister of Transport. Does the minister know that Canadian National Railways are proceeding to build level crossings in Toronto township, while a petition to prevent this construction has been before the cabinet as of August 21, 1962; and has any decision been reached?

Hon. Leon Balcer (Minister of Transport): I am sorry to tell the Leader of the Opposition that a telegram has been received by the Prime Minister, of which I received a copy, asking that the work by the C.N.R. on the terminal by-pass in Toronto township be halted. I do not think it was a request to provide work. It was a telegram asking the government to stop the work. That telegram was received yesterday, and it is under consideration.

BRITISH COLUMBIA—PROPOSED DISCONTINUANCE OF TRAIN SERVICE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Transport and ask the minister whether his attention has been drawn to the

proposal of Canadian National Railways to discontinue trains Nos. 195 and 196 between Prince George and Prince Rupert, British Columbia, this month. If so, what steps are being taken to prevent this proposal, to ensure the safety and employment of the employees concerned, and to guarantee a proper degree of service to the communities involved?

Hon. Leon Balcer (Minister of Transport): Yes, Mr. Speaker, my attention was drawn to this matter, but I will answer the other part of the question tomorrow.

LABOUR CONDITIONS

INTERNATIONAL NICKEL CO.—PROPOSED LAY-OFFS

On the orders of the day:

Mr. Erik Nielsen (Yukon): I wish to direct a question to the Minister of Labour. In view of the expressed intention of the International Nickel Company to lay off 2,200 workers, comprising a 15 per cent cut in the work force of Sudbury, and directly affecting some 10,000 people; and in view of the proposed rotational work plan suggested to the management of Inco by local 598 of the international union of mine, mill and smelter workers—

Some hon. Members: Question.

Mr. Hellyer: It is perfectly in order.

Mr. Speaker: Would the hon. member put his question succinctly without a lengthy preamble? We have to be fair to both sides.

Mr. Benidickson: Hear, hear.

Mr. Nielsen: Can the minister inform the house whether he or his department is in any way assisting to avert this lay-off?

Hon. Michael Starr (Minister of Labour): Last Friday I met a delegation from this organization who presented me with a brief in which they suggested a rotation of work. I pointed out to them that this was not a matter which came within federal jurisdiction, and that it was entirely a matter to be left for the decision of management. I also pointed out to them that rotation of work had been adopted by mutual agreement between employers and employees in other instances in the past. I may add that I sent the brief that was presented to me to the president of International Nickel Company.

[*Later:*]

Mr. D. R. Mitchell (Sudbury): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce, of which I have sent him notice. This is somewhat related to the question asked by the hon. member for Yukon, but I will try and make it more concise.

[Mr. Howard.]

Due to the lay-off of 2,200 men in the Sudbury area by the International Nickel Company, would the government consider stockpiling nickel and copper as a means of continuing full employment?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I wish to thank the hon. member for his courtesy in advising me of his intention to ask this question. However, it is more properly addressed to my colleague the Minister of Defence Production, who is free to answer the question.

Mr. Mitchell: With due deference, Mr. Speaker, I feel this is just as much a question for the Minister of Trade and Commerce as it is for the Minister of Defence Production. As we all know, this company is in domestic and industrial markets—

Mr. Speaker: Order. As I understood the answer, the Minister of Trade and Commerce suggested that the question could more properly be answered by the Minister of Defence Production. I do not believe the hon. member gave the Minister of Defence Production any chance to indicate whether he was going to answer.

Mr. Mitchell: Mr. Speaker, may I now ask whether the Minister of Defence Production will answer?

Mr. Martin (Essex East): Surely somebody in the government is interested.

Hon. Raymond O'Hurley (Minister of Defence Production): I am always glad to answer, Mr. Speaker. It has never been the policy to stockpile, either under this government or the previous government, except items of strategic materials to be used in an emergency. Under the circumstances I cannot see that the situation warrants any stockpiling at this time.

PRINCETON, B.C.—SUGGESTED DECLARATION AS DEPRESSED AREA

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to ask a question of the Minister of Labour, of which I have given him notice. In view of the urgency of the situation in Princeton, British Columbia, where the closing of industry has had a serious effect on employment and small business operations, has this area been declared a depressed area, and are any plans in offing by the federal government for the purpose of rectifying the situation?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, Princeton was not declared a depressed area; it was declared a surplus labour area on July 25 of this year. The

closing in 1956 and 1957 of mines at Copper Mountain and Hedley were the main reasons for this deterioration. However, in September there were fewer persons registered for employment at Princeton than at this time last year.

(Translation):

TRANSPORT

SHEFFORD COUNTY, QUE.—REQUEST FOR CLOSING OF TUNNEL

On the orders of the day:

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Minister of Transport. Could he tell us what steps have been taken by his department to close the famous death tunnel at South Stukely, in Shefford county?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I do feel that this question should be put on the order paper.

MONTREAL-QUEBEC—RE-ESTABLISHMENT OF NIGHT TRAIN SERVICE

On the orders of the day:

Mr. Jean-Paul Cook (Montmagny-L'Islet): Mr. Speaker, I should like to direct a question to the Minister of Transport.

In view of representations I received this morning, could the minister tell the house whether his department is considering the possibility of re-establishing night train service between Quebec and Montreal?

Mr. Speaker: The hon. member will realize that his question is one for the order paper.

(Text):

COMBINES

REPORTED AMALGAMATION OF U.S. AND CANADIAN LOAN COMPANIES

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): I wish to direct a question to the Minister of Justice. Has his attention been called to the report in this morning's *Globe and Mail* of the takeover by an American loan company of two existing Canadian loan companies, and will he consider having this amalgamation of foreign and domestic sharks investigated by the combines investigation branch?

Hon. Donald M. Fleming (Minister of Justice): The answer to the first part of the question is no. My observation on the second part is that I think this matter can safely be left to the director of investigation under the Combines Investigation Act.

Mr. Martin (Essex East): You should read the *Globe and Mail.*

Mr. Fleming (Eglinton): And you should read a great many things that you do not.

TRADE

RUSSIA—STATEMENT ON RENEWAL OF TREATY

On the orders of the day:

Hon. George H. Hees (Minister of Trade and Commerce): Yesterday the hon. member for Kenora-Rainy River asked a question relating to an article he had read dealing with the Canada-U.S.S.R. trade agreement. The answer is that the renewed Canada-U.S.S.R. trade agreement, which expires April 18, 1963, provides for annual consultations between officials of the two governments concerning the operation of the agreement, to be held alternately in Ottawa and Moscow. The next such consultations are scheduled to take place in Moscow in late November. The present agreement expires in April, 1963; therefore it is proposed, during the course of the annual consultations, to give preliminary consideration to the future of the agreement.

WHEAT—POSITION RESPECTING CREDIT TO CHINA

On the orders of the day:

Mr. Arthur Laing (Vancouver South): My question is addressed to the Minister of Agriculture, and I have provided the hon. gentleman with notice. In connection with the agreement which exists for the export of food grains, would the minister tell us what the present situation is, in terms of dollars, respecting the credit extended by Canada to the People's Republic of China?

Mr. Speaker: That is definitely a question for the order paper. It seeks statistical information.

CEMENT—IMPORT OF CARGO FROM CUBA

On the orders of the day:

Hon. H. J. Flemming (Minister of National Revenue): Mr. Speaker, I should like to give an answer to a question asked yesterday by my hon. friend for Gloucester concerning a shipment of cement from Cuba. The answer is as follows.

There is a shipment of cement from Cuba awaiting customs clearance at Montreal. Entry is in order under the regular provisions of the customs tariff at the rate of eight cents per 100 pounds, and no special authorization is required when regular conditions of import entry are met.

Inquiries of the Ministry

(Translation):

HOUSE OF COMMONS

SIMULTANEOUS TRANSLATION—DISTRIBUTION OF FRENCH ORDER PAPER

On the orders of the day:

(Page 148)

Mr. L. P. Antoine Belanger (Charlevoix): Mr. Speaker, after having carefully listened to the discussion which took place a moment ago, and as a new member, I am not quite sure that my question is in order and put to the right person.

First of all, allow me to draw your attention to the fact that several French speaking members complain about the quality of simultaneous interpretation, especially from English into French. Of course, I would not like to lay the blame on anyone in particular, because I do not know what may be the cause of such a situation, but there are many difficulties in this regard.

Second, would it be possible to have the French version of the order paper of the house sent to the French speaking members at the same time as the English version is distributed to the English speaking members? This request is being made in order to help French-speaking members to fulfil their duties in this house.

Mr. Speaker: I thank the hon. member for his representations; I shall examine the situation and see whether it is possible to improve it.

(Text):

THE CANADIAN ECONOMY

ATLANTIC PROVINCES—STATEMENT BY MINISTER RESPECTING POLICY

On the orders of the day:

Mr. Malcolm MacInnis (Cape Breton South): I wish to direct a question to the Minister of National Revenue. In view of the minister's statement on federal government policy regarding the Atlantic provinces' economy, namely, that "he wondered why it was necessary for the whole family to take castor oil when only some members needed it", does he now disagree with the government's cutbacks in spending in the Atlantic region, in view of the pressing need for employment opportunities in the Atlantic provinces?

INDIAN AFFAIRS

BRITISH COLUMBIA—PROTECTION OF RIVER BED RIGHTS

On the orders of the day:

Mr. Harold E. Winch (Vancouver South): I wish to direct a question to the Minister of Citizenship and Immigration, of which I have already given notice. Has the attention of the minister been drawn to a matter of urgent importance to the Indian chiefs of Bridge Indian reserve, Fountain Indian reserve and Lillooet Indian reserve, whereby an endeavour is being made by certain interests to claim that Indian reserve rights do not extend over a river bed? If so, what interest and action is being taken by his department to protect the rights of reserve Indians?

Hon. Richard A. Bell (Minister of Citizenship and Immigration): Mr. Speaker, the answer to the first question is yes. A very highly technical legal problem is involved here. The department is well aware of it and is making representations to the British Columbia gold commission, which is holding hearings in respect of the matter.

I think that is as far as I would be permitted to go on the orders of the day. I will be glad to give additional details to the hon. member privately.

NATIONAL REVENUE

INQUIRY AS TO GOODS REMOVED FROM CUBAN SHIP

On the orders of the day.

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to address a question to the Minister of National Revenue. Could the minister advise the house the nature of the contraband that was taken today from the Cuban freighter *Bahja de Siguanea*, and could he also tell the house whether any of the goods seized were of United States origin?

Hon. H. J. Flemming (Minister of National Revenue): Mr. Speaker, I have some information which will be of interest to my hon. friend. Some 1,685 bags of chemicals known as permatox which were to be loaded on the freighter—this is a tough one—*Bahja de Siguanea* were detained under the provisions of section 22 (2) of the Customs Act. Detention was made pending further investigation as examination indicated the chemicals to be of United States origin. No religious literature was detained during yesterday's action or at any time.

We have no record of action taken in respect to the alleged export shipments of 168 cases of nuts and bolts or of quantities of zinc stearate. I believe those latter items were also mentioned in the article in the newspaper.

Mr. Hellyer: A supplementary question, Mr. Speaker. Could the minister say whether a false manifest was filed, and does he contemplate that any charges will be laid?

Mr. Flemming (Victoria-Carleton): Mr. Speaker, I am unable to answer that question. I have given all the information that we have at the present time. However, I would be glad to take note of the hon. member's question, and I will try to give him the information at a little later date.

(Translation):

AGRICULTURE

HOGS—REDUCTION IN PREMIUM

On the orders of the day:

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I put a question to the genial Minister of Agriculture?

Could he tell us what was his department's reason for reducing the premium paid to the producers of grade A hogs?

(Text):

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I cannot give a full answer on orders of the day. I will simply say that we ask all Canadians and all segments of the economy to try to bear some share of the government's efforts to reduce the budget deficit. Since hog prices were at a fairly high level, and since we raised the support price last year by roughly $1.50 per hog, we thought this would impose the least burden on this type of producer.

(Translation):

Mr. Lessard: Mr. Speaker, may I ask a supplementary question in order to make this clearer?

Mr. Speaker: I am very sorry, but the object of a supplementary question must be to clarify the reply which was given. If his question simply relates to the same matter, I would ask the hon. gentleman to give the floor to someone else, and he can ask his question later on.

Mr. Lessard: Well, Mr. Speaker, the object of this question is precisely to clarify the previous one.

Could the Minister of Agriculture tell us if he expects to restore that premium soon.

(Text):

Mr. Hamilton: Mr. Speaker, nobody is more reluctant than I to reduce the premium, and I shall certainly have this matter under consideration at all times.

(Translation):

[*Later:*]

LOANS TO SMALL FARMERS

On the orders of the day:

Mr. Viateur Ethier (Glengarry-Prescott): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Could the minister tell the house whether he intends to ease the present guarantees on agricultural loans in view of the fact that only large farmers can benefit from such loans at present, the smaller farmers being unable to qualify?

Mr. Speaker: As I see it, the hon. member's question calls for an opinion and I think it would be better to have it put on the order paper.

* * *

[*Later:*]

PRICE OF WHEAT IN EASTERN CANADA

On the orders of the day:

Mr. Bernard Dumont (Bellechasse): I should like to direct a question to the Minister of Agriculture. Following the good news we heard yesterday about the sales of wheat, will the farmers and bakers of eastern Canada be able to buy their wheat at the same price as the Chinese and the Poles?

(Text):

Hon. Alvin Hamilton (Minister of Agriculture): Wheat prices are all based at Fort William, and we will be glad to take any orders from people in every part of the world.

EXTERNAL AFFAIRS

COLOMBO PLAN—INQUIRY AS TO DECREASE IN CANADA'S CONTRIBUTION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister whether the government proposes to reduce Canada's contribution to the Colombo plan?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, when the estimates are tabled the fullest information will be available.

Hon. Paul Martin (Essex East): A supplementary question, Mr. Speaker. May I ask the Secretary of State for External Affairs, is it not a fact that his department has already given an indication that it proposes to reduce the amount of Canada's contribution.

Mr. McIlraith: The answer is yes.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I can only repeat the statement made by the Prime Minister.

Some hon. Members: Oh, oh.

Inquiries of the Ministry

POST OFFICE DEPARTMENT

REPORTED REDUCED WAGES IN RUSH SEASON

On the orders of the day:

Mr. James E. Walker (York Centre): Mr. Speaker, I wish to address a question to the Postmaster General and I am sorry that I have not given her notice. Is the Postmaster General aware that during the Christmas period casual or regular postal employees are requested to offer their services at a reduced rate of pay to take care of the Christmas rush?

Mr. Speaker: Order. With all due respect to the hon. member, I feel that this question is definitely one that should be placed on the order paper.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO REPLENISHMENT OF FUND

On the orders of the day:

Mr. Thomas R. Berger (Vancouver-Burrard): Mr. Speaker, I should like to address a question to the Minister of Labour. Since the unemployment insurance fund is in imminent danger of being exhausted, what steps is the government taking to ensure that funds will be available to pay benefits to unemployed persons this fall and winter?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, this was the situation prior to January 1, 1962, it was the situation prior to May 1, 1962, and again we have the same situation. There are still funds in the unemployment insurance fund. The government has a responsibility in this respect, which it has always recognized in the past and will in this instance.

Mr. Berger: A supplementary question, Mr. Speaker. What steps will the government take should this situation, which is one of imminent danger, result in the exhaustion of the fund?

Mr. Starr: Appropriate steps.

[*Later:*]

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to address a question to the Minister of Labour, notice of which I sent him yesterday. What was the financial state of the unemployment insurance fund in September 1962 as compared with the state of the fund—

Mr. Speaker: Order. This is definitely a question seeking information of a statistical nature. Unless the minister is prepared to give an answer at the present time, it should definitely go on the order paper.

[Mr. Green.]

CANADIAN CENTENNIAL

REQUEST FOR STATEMENT ON PREPARATIONS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I do not wish to be repititious on this subject, but judging from the number of inquiries coming in, some importance appears to attach to it. I should like to direct a request to the Prime Minister. Would the Prime Minister advise the house at his earliest convenience regarding the progress which has been made to date in preparation for Canada's centenary?

Right Hon. J. G. Diefenbaker (Prime Minister): Yes, Mr. Speaker.

HOUSING

ELIGIBILITY OF LOW WAGE EARNERS FOR LOANS

On the orders of the day:

Mr. Malcolm MacInnis (Cape Breton South): I wish to address a question to the Minister of Public Works, and I apologize for not having given him notice. In view of the stimulation which could be given to our economy by the construction of additional housing, would the minister care to comment on a statement made by Mr. Hector Boudreau, president of the associated federation of letter carriers, that he was laughed at when he applied for a central mortgage loan, and that his low salary made him ineligible?

Mr. Speaker: Order. It is not the responsibility of members of the ministry to comment on statements by individuals that appear in the press from time to time.

CANADIAN BROADCASTING CORPORATION

TELEVISION COVERAGE OF CHAMPIONSHIP FOOTBALL GAME

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Secretary of State in his role as voice for the Canadian Broadcasting Corporation and the board of broadcast governors whether the government has found or is seeking any way to resolve the contretemps between the B.B.G. and the C.B.C. over the latter's application to program a certain pending football match.

Hon. G. E. Halpenny (Secretary of State): I am informed by the C.B.C. that they have had meetings with not only the B.B.G. but with the C.T.V., and it looks as though we shall have a solution.

PUBLIC WORKS

FEDERAL ASSISTANCE FOR SEWAGE PLANT CONSTRUCTION

On the orders of the day:

Mr. Raymond Rock (Jacques Cartier-Lasalle): I wish to direct a question to the Minister of Public Works. Will any municipalities intending to construct sewage treatment plants be able to request and receive federal financial aid after March 31, 1963?

Hon. E. D. Fulton (Minister of Public Works): Mr. Speaker, the answer to that question is yes, within the limits of the funds provided and in accordance with the terms of the amendment to the National Housing Act for that purpose, one of the many constructive pieces of legislation recently introduced by this government.

AIRPORTS

SAULT STE. MARIE, ONT.—CONSTRUCTION OF TERMINAL BUILDING

On the orders of the day:

Mr. G. E. Nixon (Algoma West): I wish to direct a question to the Minister of Transport. Can the minister say how soon tenders will be called for the construction of a permanent terminal building at Sault Ste. Marie airport?

An hon. Member: Order paper.

Mr. Speaker: Order.

PARLIAMENT HILL

REQUEST FOR PROTECTION OF PARKED AUTOMOBILES

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, may I direct a question to the Minister of Justice. In view of the insecurity of leaving our cars unattended, because of the pilfering from parliament hill, would the Minister of Justice take steps to see that our cars are protected?

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Malcolm MacInnis (Cape Breton South): Mr. Speaker, I have a question which ordinarily would not be of an urgent nature, but I suggest that in this particular case, because of the indefinite nature of the length of this session, the answer will help our programming of legislation.

Mr. Speaker: I feel that if one were to ask many hon. members here, they might at one time or another place that qualification upon any question regardless of its nature. I do not think it warrants any priority in asking it on orders of the day, if that be its basis.

(Translation):

POST OFFICE DEPARTMENT

PAYMENT FOR OVERTIME DURING HOLIDAY SEASON

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I direct a question to the Postmaster General?

(Text):

Is it the government's intention to pay regular postal employees for overtime work during the Christmas period by giving them holidays instead of cash?

Hon. Ellen L. Fairclough (Postmaster General): Mr. Speaker, as far as I know the procedure will be the same as that followed formerly.

CANADA ELECTIONS ACT

SUGGESTED PROSECUTION FOR ALLEGED CONTRAVENTION

On the orders of the day:

Mr. Ralph B. Cowan (York-Humber): Mr. Speaker, I have a question that I wish to direct to the Prime Minister. On the floor of this house on Tuesday last he said, as reported on page 102 of *Hansard* of that date:

> They went around and threw out those myriads of documents which they did not dare stand behind; they did not dare place the name on them as having been printed by the Liberal association.

If this is a contravention of section 71 of the Canada Elections Act, I should like to ask why the Prime Minister or the government does not enforce the act by instituting legal action.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, October 2, consideration of the motion of Mr. Gordon Chaplin for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Pearson.

Mr. R. J. Cashin (St. John's West): Mr. Speaker, first of all I should like to add my voice—

Mr. Speaker: Order. Hon. members might subdue the buzz of conversation so that we may hear the hon. member, and also in particular show the courtesy of this house to hon. members making their maiden speech.

I therefore call on the hon. member for St. John's West (Mr. Cashin) with the due attention of the house.

Mr. Cashin: First of all, Mr. Speaker, I should like to add my voice to those who have already offered you praise and congratulations on your elevation to your new post. I should also like to congratulate the mover and the seconder of the address in reply on their very creditable efforts.

Mr. Speaker, I am very happy and honoured to take part in this traditional debate. I may say that I am particularly honoured because the constituency which I represent in this house was represented for a great many years in the house which presided over the destinies of the then colony, and later dominion, of Newfoundland by my late grandfather, Sir Michael Cashin.

Would that I could continue in such a reminiscent and pleasant vein on this the occasion of my first speech. But, Mr. Speaker, at this time, in this place, and in this country circumstances are such that the members of the house should at all times devote their energies and their attention to the great problems facing this house, and facing indeed the whole nation of Canada. So, Mr. Speaker, I am rising to support the motion of want of confidence placed before the house. If there was any doubt in my mind that I should do so, it was certainly dispelled after enduring the long barrage, indeed the deluge, from the other side of the house. Instead of adopting a straightforward approach which would show that this government appreciates the problems that face the Canadian nation, they have chosen to put on the blinkers that have obscured their vision for so long. I believe, Mr. Speaker, that there was no example in the speech from the throne of the moral fibre and the moral courage which the people of Canada have every right to expect from their government at all times, and particularly at this time. Oh yes, there have been a great many words. Indeed, the manipulation of language seems to be one of the few significant traits of this government that I have been able to observe in the short time I have been here watching the other side of the house. Words that I thought had one meaning to all or most people seemed to have different meanings to suit the occasion for the members on the other side of the house. For example, we heard the very fine sounding phrase that fear begets fear, and indeed it sounds good. It perhaps sounds better than does my phrase that government mismanagement begets government mismanagement and that government befuddlement begets government befuddlement.

Another interesting observation is this. While the members on the other side of the house are entrusted with the responsibility of government and have been entrusted with that responsibility for five years, they can come into this house, as they have done in other houses, and accuse 50 Liberals of obstructing about 200 people from governing Canada. If 50 Liberals could be so successful in doing that, how successful would they be on the other side of the house?

An hon. Member: Twenty two years.

Mr. Cashin: Indeed, I am glad to know that those on the other side of the house have not lost their ability to use words. However, I noted that the statements which have been made indicate indeed that the speech from the throne is not what the Canadian people expected. I humbly suggest that otherwise they would have held all of us for, whatever side of the house on which we sit, we are all in the same house. If one group does not live up to its standards, inevitably it affects all of us who are in this profession. I am afraid that is what has happened, namely that they have not given us what they should have given. I humbly suggest that had they done so, they would have been held in higher regard by the people of Canada, instead of indulging in obvious attempts at grasping for straws. They have embarked on a tremendous manhunt to discover what went wrong and who is to blame. I believe it is obvious to the majority of Canadians what went wrong and who is to blame. It must have been a shattering moment to see the house of cards come tumbling in. I suggest that the reason for the great outbursts on the other side of the house and directed at this side of the house and at our leader is based upon the fact that this group is in office but not in power, and that the great shock of it all is not the trouble that faces Canada but the realization that they are not invincible and are subject to mortality. If I were to believe all I have heard quoted from the other side of the house, it would seem that everybody is out of step but them. However, I do not believe that is good enough for the Canadian people.

As hon. members are no doubt aware, I represent a Newfoundland constituency. I should therefore like to devote a goodly portion of my remarks to the constituency and the province which I represent. This constituency and this province have been adversely affected, as have all provinces and all parts of Canada, by the way in which this government has handled itself. However, in this province there are some peculiar and particular problems which are demanding special attention. Indeed, there is another problem down there for the other side which they would like to take care of, but that is

not the one about which I am going to talk. I might remind you, Mr. Speaker, that if Newfoundland, the province which I am proud to represent in this house, is to grow, to develop and to make an increasing contribution to the growth and development of Canada—and by that I mean a contribution commensurate with her capabilities and potential—then there are certain physical and geographical conditions which must be recognized by the federal government by way of action. If you look at a map, you will find that the problem of Newfoundland is obvious. It is a problem of communications. We have an area of 43,000 square miles on the island itself. There are 6,000 miles of coast line, and over 1,000 communities are scattered around this coast line.

Progress has been made. In fact progress was bound to be made because there was nowhere to go but up. It gives me great pleasure as a Newfoundlander to drive into tiny hamlets on roads however dusty, because I know that two, three or four years ago there were no roads. I am deeply moved by the enthusiasm of the people who greet me because of appreciation of what has been done. We all remember that in the 19th century the matter of communication was one of the most significant problems to the fathers of confederation. In fact, even today it still is, although "communication" is perhaps a larger word today. I refer not only to physical communication but communication of ideas. However, communication has been and for a long time will be one of the keys to the success of confederation.

The problem in Newfoundland today has reached the stage perhaps that unless and until the federal government of Canada is prepared to recognize the special and peculiar nature of this problem, then I really do not see how Newfoundlanders can be truly integrated into confederation and can consider themselves to be first class and equal Canadians. It is not the fault of the men who go down to the sea in ships, that this problem exists. Their own government and their own people have made great sacrifices over the years in order that many of these problems may be circumvented. What has been done by the federal government to alleviate this problem? What has been done to show that the federal government appreciates and recognizes this problem as a special and peculiar one demanding particular attention? Of course Newfoundland benefits, as do all provinces, from the arrangements made under the Trans-Canada Highway Act to pay all provinces a certain proportion of the cost of building a trans-Canada highway; but this arrangement still leaves Newfoundland with a much greater relative cost than any other province. It must be remembered that Newfoundland has enjoyed the advantages of confederation for about 13 years while the rest of Canada has enjoyed these advantages for 95 years.

This past summer there was a so-called opening of a so-called trans-Canada highway and this matter brings me back to my earlier point about words. I do not know what is regarded in some quarters as a highway. However, I know that in Newfoundland in many places we have secondary dirt roads and in other places none. I also know that most of the people I have met from the mainland of Canada and most of the people I have met from the United States regard a highway as something with asphalt on top of it over which human beings in automobiles can drive in relative comfort. When this opening was held I understand from very reliable sources that a good many inquiries were received from people in the United States wishing to come to Canada. They heard that there was now a highway right across Canada but they did not know about the game with words being played in Canada. So they were very much disillusioned when they arrived in Port aux Basques and began their trek across Newfoundland.

Therefore, Mr. Speaker, I was very disturbed to see no mention of this matter in the speech from the throne. It is plain that the government of Canada is content to have Newfoundland relegated to a lesser position in the confederacy that is Canada. Therefore it is not very difficult to know why the little strength that the Conservative party has had in Newfoundland is diminishing. It is diminishing because the people in the government have not approached the problems of Newfoundland from the point of view of finding a straightforward and equitable solution.

There is much talk about the Canadian economy and about productivity but in Newfoundland I can think of hardly anything that would help our economy more than the trans-Canada highway. It would literally get our economy moving. It was not enough that this very basic problem of Newfoundland was ignored, but in fact we had to endure the embarrassment of politics being played with the word "highway".

I was also saddened to note the absence of any mention of fisheries in the speech from the throne. In fact I believe that the fisheries are a problem of national importance which affects, of course, not only Newfoundland but Quebec, Prince Edward Island, New Brunswick, Nova Scotia and British Columbia. It is disheartening for one who comes from an old historic fishing area to see no mention of the fisheries. When I have travelled about my constituency it has been disheartening for

me to learn of the work of foreign trawlers which have ravaged fishermen's gear by coming in to the very headlands of the sea. It was disappointing and made me most sorrowful to learn from the fishermen, who after all live in an area with the highest cost of living of any province and the lowest standard of income, that their gear was being harassed by foreign vessels and, worse still, their traditional inshore fishing grounds were being interfered with by foreign trawlers.

I realize that there has been talk of a 12-mile limit, but from all I can gather it seems that a 12-mile limit will not be realized at all if the attitude of the present government outside of the house is to be believed, or at least it will not be realized in the near future. I believe that the establishment of a 12-mile limit, whether we do it by speeding up negotiations on an international level or by taking the bull by the horns and doing it ourselves, would be a significant step forward for the fisheries not only in Newfoundland but in our sister provinces on the Atlantic coast. It is not enough to tell these fishermen in eastern Canada that a 12-mile limit cannot be established because after all they realize that Iceland, which has less than half the population of Newfoundland, was able to do it. Has Iceland more courage, more moral fibre than Canada?

But mention of the 12-mile limit was not the only omission vis-à-vis fisheries in the speech from the throne. The federal government ought to concern itself more with the policy or idea of putting capital into the fisheries because the fisheries, particularly in Newfoundland, and I realize also in other provinces, have the problem of modernization. Generally speaking, these foreign trawlers that come over and ravage our fishing grounds are far better equipped to approach the fisheries and have an advantage in that regard over our fishermen. There is a real need. I realize that government, be it federal, provincial or whatever the level, cannot take it unto itself to solve all the problems of the fishermen. Indeed, that is not what the fishermen want and anybody who has any experience or knows the fishermen knows that one of their significant traits is their independence of spirit which makes it difficult for them sometimes to accept outside help. They are not looking for handouts; rather, they are looking for a constructive program from the federal government.

Another result of a program to make capital more readily available would be that it would assist men in eastern Canada to get back into the fisheries. In Newfoundland, as in our sister Atlantic provinces, we are confronted with unemployment. We have a very high birth rate in Newfoundland so I suppose that conceivably we could have more people working one year in Newfoundland and have twice as many unemployed as in the previous year. Evidently the natural increase does not seem to be noticed by the federal government. They have not taken judicial notice of the fact that the human race increases and so when they talk about unemployment and jobs they forget to realize that at least in Newfoundland we are very good at it. Indeed, that is what they fear, that we will become too good at it, populate all over the place and bring our political philosophy with us.

Newfoundland itself has recently called a conference on the fisheries and I think this will mark an improvement. The fact that the federal government knew this was going on in Newfoundland made the omission of anything to do with fisheries all the more striking. I am afraid "statesmanlike" is not the word to describe this omission. I wonder, Mr. Speaker.

We in Newfoundland are a reasonable and fair-minded people and we will support any legislation whatever the source of which is aimed at dealing with our particular and peculiar problems. The first is the problem of communications and the need of roads to open up our country so that we may enjoy confederation the same as all other people can enjoy it and so that our storehouse of wealth may be better cultivated. More movement of our people from one place to the other all over the island will help to get our economy moving. It will create, for example, a greater demand in the public service industries. It will give us a better chance to attract secondary industry.

The second of our great problems is the fisheries. I differentiate between these two problems because the fisheries are a problem that we share with many other provinces. We have peculiarities in our fisheries as they have in theirs. The situation is somewhat like that in agriculture. I cannot emphasize too strongly how very important this problem is in Newfoundland. I am sure it was the intention of those who brought about confederation that both governments would deal with Newfoundland in a spirit of co-operation and show an interest in solving this problem. We do not want to slip into confederation and be forever doomed to the role of second class Canadians. We came in so that we could make a contribution to the success of confederation. Is it to be held against us, Mr. Speaker, that our political philosophy does not happen to coincide with that of the government of the day? We did not expect confederation to be a panacea and now that we are in confederation we do expect that we will be required to pull our weight and to do what we can.

The situation is like an investment. We have already given Canada sovereignty over our immense Labrador which has great mineral resources that are just now beginning to be developed, in addition to the resources of timber, minerals and fisheries on the island and around the island itself. We have also contributed to the confederation a market which it did not have previously and now, of course, we get most of our consumer goods from the mainland. However, we still sell the major portion of our products to foreign countries. That is why we in Newfoundland are particularly worried about some of the things said and done about trade policy on the other side of the chamber. Trade policy is very important for the people of Newfoundland, and its mishandling is another example of how the government has alienated the support it originally had there.

We in Newfoundland were shocked, as were people all across Canada, to see the great about-face that took place so shortly after the election. We were told that there was no crisis before the election; but now I, and other hon. members, are glad to learn that the crisis which did not exist has been cured. There is a lesson to be learned from that by one making his first appearance in parliament, and if this session continues—and there is a mathematical possibility that it might—I suppose I shall learn the English language as it is spoken in this chamber. Of course I must also learn the French language, as it is spoken, but I believe I shall have an easier time with it.

The government has claimed that its record is unequalled. I agree, and only hope that we shall never again see a government in Canada with a record like it.

(Translation):

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, it is really moving to speak in this house. It is also a fearful task, after hearing so many eloquent speakers.

First I should like to congratulate you, Mr. Speaker, for the unanimous vote that brought you to the Chair of this house.

I also want to congratulate the mover and seconder of the address in reply.

I should like also to extend special congratulations to the Associate Minister of National Defence (Mr. Sevigny) who succeeded in finding so much enthusiasm to defend a speech from the throne which contained so little.

As is customary, I should like to associate the voters of my constituency of Quebec-Montmorency in these congratulations. That county is the most beautiful in Canada after the one of the hon. member who is listening to me.

Of course, the constituency of Quebec-Montmorency is composed of different classes of people. There are farmers, professionals, white collar workers, as well as people who depend more or less on the federal government's policy. That is why they change parties so often, because they often prefer also to elect a member from another party.

I must say that I was very disappointed by the speech from the throne. We expected much more than that. We thought the government would have heeded the warnings given to the effect that it should introduce much more sensible measures. Moreover, we expected more sincerity on the part of some colleagues of the Liberal opposition. We were greatly disappointed, but in spite of the challenges issued by the Leader of the Opposition (Mr. Pearson) we are still sitting in this house.

I must add that from an electoral and political point of view, we suffered a failure yesterday. We should have taken out the words "Social Credit" from our subamendment. Unfortunately, we are still green in politics. We are not used to the artful tricks performed in this house and we just failed to come up with a brilliant feat, for we would then have stolen our friends of the Liberal opposition's thunder. But I am assured that they slept much better last night than they would have if we had omitted those words.

We have mostly heard the Liberal opposition, through the voice of its leader, take the present government to task for many things which this government itself had criticized when its members were sitting on the other side of the house. These are things which we have too often been wont to hear since confederation. It is hoped that, with Social Credit, we shall succeed in banishing from the house this dialectical interplay, this game of empty words and that at last, we shall get down to business and start working in the interest of Canadians, and especially in the interest of the voters of the Quebec-Montmorency riding.

We have heard the Leader of the Opposition regret the fact that we have come to the point where we must tighten our belts.

I also heard the Leader of the Opposition talk about the regrettable Coyne affair. If I am not mistaken, and if my memory serves me right, I think that when that question was discussed on the floor of this house, Mr. Coyne was precisely asking Canadians to tighten their belts and that Mr. Pearson championed Mr. Coyne's cause.

Which makes us wonder what is happening to sincerity. We wonder when did our career politicians really work for the good of Canadian citizens and for the good of the whole nation.

The Liberal opposition as well as the other two parties speak of a municipal development bank. It is well known that as far back as 1935 the Social Credit party, of which I have the pleasure of being a member on the federal scene, recommended the establishment of such a bank.

People are aware today that the ideas put forward at that time by the Social Credit party are really conducive to an effective action against unemployment and the desperate situations in which we find our municipalities and our school boards.

Naturally, we, Social Crediters, feel that any grant or assistance given by the government to the municipalities must fully respect the autonomy not only of the province of Quebec but of all the provinces.

The Liberal opposition speaks of increasing family allowances and extending them to the age of 21 for children who continue their studies.

I think everyone will agree that the Social Credit party was the first to include such a measure not in its electoral platform but in its social program.

We hear also about Central Mortgage and Housing Corporation, which should normally help the average or sub-average Canadian. Everybody knows that it is absolutely impossible for a Canadian who earns between $2,500 and $3,500 a year to take advantage of the loans presently provided by C.M.H.C.

I claim that if the government really wants to help the Canadian citizens to become property owners, it might amend the Central Mortgage and Housing Corporation Act so as to enable the people I have just mentioned to borrow from the corporation.

The government boasts also of having set up the famous winter works program. Because of this winter works program many municipalities are now overburdened with loans that taxpayers find hard to pay back.

In principle, the program is excellent, but it causes the municipalities to secure 20 to 30-year loans, an additional burden which must be borne by the taxpayers.

In my opinion, such conditions are not good enough and are not in keeping with the pride of the Canadian people.

Furthermore, the government was candid enough to confess that the policy that succeeded in keeping it in power was its farm policy.

Of course, we know that there are all kinds of small things that my fellow members will draw to the attention of the hon. members of this house later, but, personally, I am of the opinion that if the government looked after some farmers, they certainly were not in the province of Quebec.

In this connection, I think that the amount of $5 million to be earmarked for an investigation on non-arable or marginal land should be given to the farmers who already own a family farm so that they may be able to set up stocks of wheat along the St. Lawrence river near existing harbours where there are wharves to stock wheat and grains.

I think it would be in fact a very efficient way of helping the farmers of the province of Quebec without hurting the interests of western farmers.

Now we heard the Liberal opposition mention its health insurance program; we also heard our friends the socialists talk about state medicine.

I believe that as a doctor and a free man it is my duty to defend private ownership, even in the field of health. I agree that we have no right to abandon the people who are unable to secure medical care. I agree also that we have no right to deprive people from hospital care if they need it. But we have no right either to tie people to plans and systems which leave them with no freedom.

Socialists often say that Social Crediters are afraid of the state. We are not afraid of the state but we fear that the state will interfere with matters where it is not concerned. And once you understand in that perspective the part which is the government's in the Canadian economy, I think the door is open to several purposes but nothing must be done at the expense of individual freedom.

In view of the fact that in our democratic system we have non-profit organizations, I think that those organizations could render very great service to the Canadian people

without the government intervening too directly.

(Text):

Mr. Speaker, there was something in the speech from the throne about our national flag and our national anthem. I think I should say, as one of the reporters in our province said, it might be too little and too late. I know everything indicates that we might at some time have a distinctive national flag and a national anthem. We hope, really, that this question will be settled during the present session, because now we know that our Liberal friends will keep the session going for a while.

Some hon. Members: Oh, oh.

Mr. Marcoux: We have also heard something about bilingualism in Canada. We know it is impossible to make a Frenchman from an Englishman, or an Englishman from a Frenchman. That is impossible, and no sensible person would ever ask that those cultures be melted together. But the thing is that in our capital city and in the parliament buildings here we should really enjoy the complete bilingualism that almost everybody has talked about for so many years and about which our Liberal friends in the opposition were never able to do a single thing during their 22 years on the other side of the house.

(Translation):

Mr. Speaker, I feel that the government should revert to the principles which presided over the establishment of the Canadian confederation in the time of Sir Georges-Etienne Cartier and Sir John Macdonald whom the present Prime Minister admires so much.

I know that in that time, the sole purpose was to promote a normal development in all provinces through the central government. We have reached the point today where the central government controls all the provinces, collects from them the greater part of taxes and decides for them how that money should be spent.

I find however in the official *Debates* for last April 18 that the government had decided to make quite a few changes in this field, even though we had hoped the amendments would be much more significant as a matter of fact, according to the official *Debates* for April 18, 1962, the province of Quebec, as well as the other provinces, gets back 50 per cent of taxes on public utilities and power companies, and for the years 1962 and 1963, the amount is expected to reach $2,097,000. Of course, when considering statistics, we find that the Liberal premier of a certain province has suggested that that province should recover payments of approximately $15 million on taxes from private companies. I think, as the fact is known, that it already receives 50 per cent of the tax amount and that what it receives amounts to $2 billion. There is reason to believe that these total tax amounts paid do not come now to more than $4 million.

An hon. Member: Does Mr. Lesage know about it?

Mr. Marcoux: I did not mention any name; if the cap fits some people, let them wear it.

An hon. Member: No doubt Mr. Lesage will wear it.

Mr. Marcoux: Now, the problem facing the country at this time and which we all regret is unemployment. The Conservative government seems to believe it knows the answer, when the facts prove that no solution has been found up to now. The members of the Liberal opposition seem to think they have found a solution, whereas it was duly established in the years just before the war, that the unemployment problem was a matter unknown to them as well. As for our socialist friends, they did find a solution: the solution of planning.

An hon. Member: In the Rene Levesque style.

Mr. Marcoux: Today, we shall have planned unemployment. The workless will be divided in various categories. They will form very definite groups and will be able to boast of having attained an additional status: that of qualified unemployed.

We of the Social Credit party believe that unemployment is due to a lack of jobs. We believe that there is not enough employment because companies manufacturing products make inadequate sales and because people employed by those companies are unable to sell enough as the result of a lack of money. We have always believed that by increasing the buying power of consumers, we would give a new impetus to our economy and bring a lot of stocked-up products out again, while, at the same time getting people—all those unemployed workers qualified by our socialist friends—back to work.

That is why we were under the impression that, even if our solution was not the best answer, it was the only one up to now which would answer Canadian needs; until we are shown evidence to the contrary, we shall continue to believe that there is unemployment because there are not enough jobs.

We heard the leader of the Liberal opposition speak of the place of this fine country of ours in the international field. We saw him upbraid the Prime Minister for having said in London, at the commonwealth conference, things of which the house had not been informed. That is why our leader suggested that the Prime Minister be accompanied by leaders of the various political parties in order to represent the views of part of the house. We remember that at the time, the Leader of the Opposition said that the suggestion of our leader, the hon. member for Red Deer (Mr. Thompson), was nonsensical. We therefore really wonder how one can advocate anything new and remain sensible.

For that reason, we feel that everything the leader of the Liberal opposition says probably has no merit whatsoever, because he says that it is all sensible talk. I believe that, in addition to being represented at that commonwealth conference, the Canadian government should have defined this country's true position in the western world, and I even would say in the whole world. We have failed too long to point out the real position of this country to those who are called the West and those whom we call the East. We have had among our most sincere and warmest allies, people who today are our most deadly enemies. To my mind, that is an anomaly which just happened because we did not define the real position of the Canadian people in respect of other nations in the world.

We are a society we dare call Christian. We face a bloc to which we often refer as those countries "behind the iron curtain" and which we should more often call those atheistic and materialistic countries. I believe that our country must stop advancing directly toward socialism as our friends opposite would like, or as the other two parties would want, even though they do not state so clearly. In any case, whether it is overt or behind the scene, we are actually moving toward an ideology we wish to fight on the international front and which we allow to infiltrate our national fabric.

I do not have to give details in that connection, but we still know that an ideology has infiltrated the country, even our crown corporations, and to name only one of those infiltrated organizations, I mention the C.B.C. In my opinion, the government may have shirked its responsibilities by failing to prevent such an occurrence in our own country.

Mr. Speaker, it is not my intention to delay unduly the debate, because we heard so many unimportant things these last few days that I would not like to deserve the same remarks when I am through.

Mr. Dupuis: Keep on going, we like it.

Mr. Denis: One more or less.

Mr. Marcoux: Before concluding my remarks, I wish only to point out that it is often said that people have the government they deserve. I think it is true and I am even inclined to think that our population deserved nothing better than what they have today. However they deserve a government, not an election in the near future. This is why I sincerely believe that this government can become the best government since confederation, because they will no more speak of an opposition numbering only 50 members using delaying tactics and because the opposition will no more be able to speak of a government majority of 150 members.

When all the members in this house, facing their duties and responsibilities, ready to vote according to their conscience in the interest of Canadians and Canada as a whole, I believe that the government will consider taking the steps which are liable to help Canadians pass through the crisis in which they find themselves, alleviate unemployment which is prevailing at the present time and give our children a certain hope in the future of this beautiful country of ours for which we will continue to exert ourselves, unless we definitely find that there is nothing whatsoever we can do.

(Text):

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I should like to join the Prime Minister (Mr. Diefenbaker), the Leader of the Opposition (Mr. Pearson), and other hon. members who have already taken part in this debate, in complimenting the mover and seconder of the speech in reply to the address on the very excellent job they did in making their maiden speeches and moving and seconding the address in reply to the speech from the throne. I feel sure that their constituents are proud of them, that their own families are proud of them, and that those who elected these members as their representatives in Ottawa will feel again very sure that they send excellent representatives to be their members of parliament.

Mr. Speaker, in the short time available to me this afternoon I should like to speak very briefly about the Canadian economy and about some of the things which the government is doing to assist our industrial and trade expansion. Speaking yesterday, the Prime Minister referred to the strong advance which had been made in several of the key indicators in our economy, and he mentioned that the gross national product had been running at record levels. I think hon. members might be interested in hearing the actual figures of this key indicator which measures the strength not only of our economy, but of any economy. The gross national product for the first half of 1962 stood at a seasonally adjusted annual rate of $39.1 billion, compared to $36 billion in the same period of 1961. That is an increase of 8.6 per cent. Mr. Speaker, only a small part of this increase was the result of higher prices. The gross national product expressed in terms of constant —that is, 1957 dollars—rose from $33.8 billion to $36.4 billion between the same two periods, which is an increase of 7.7 per cent. This expansion in our productive activity which has taken place during the past year has made it possible, as the Prime Minister so ably pointed out yesterday, for 200,000 more Canadians to be working in August, which is the last month for which figures are available, than were working at this time last year; and I think that those figures I have mentioned are a clear indication that our economy is moving ahead very strongly indeed.

I should like now to mention some of the things that the government is doing to help maintain that expansion. On September 4 the government announced a new phase of our trade expansion program, made up in several parts. The first part is a plan to fly more than 700 important buyers, carefully chosen from all parts of the world, to Canada next spring to inspect the products which Canadians have to sell. Mr. Speaker, not only will these important buyers be able to inspect our products under the most favourable circumstances and, we hope, be able to place a considerable number of orders here at that time but, equally important, they will be able to advise our producers in instances where our products do not measure up to the standards required by them so that they would place an order, of what must be done by our producers in order to get orders in the future.

This was one of the most important phases of the two similar trade shows which were held this spring in Toronto and Montreal. A great many sales were made to important American buyers who came to these cities from Chicago, New York and Philadelphia, which are important buying centres in the United States market. Also, the large number of buyers who went there were able to point out to our producers, and very kindly did so, where they fell down, and for what reason, in certain instances where they were not able to place orders with the Canadian producers. They showed them that if they were able to improve their design in a certain way, to improve their quality in a certain way, or to lower their prices by a certain amount, then they would be able to place orders with them; and this is one of the important things that our Canadian producers learned at those meetings. I have learned since that time that many large and important orders have been made possible through the information passed on to our producers by the buyers who attended those two shows.

The second part of this new activity will be the bringing of our trade commissioners home at this time to Ottawa for a week's conference with myself and the officials of the Department of Trade and Commerce to discuss at first hand, ways and means which we can adopt to enable our producers to sell more actively, effectively and successfully in the markets of the world A similar conference was held, as you know, Mr. Speaker, in this city in December 1960, and very good results were obtained because our trade commissioners who came home at that time were able to discuss at first hand with our officials what could be done in their particular markets; and I would say that in every case their suggestions have been carried out with beneficial results.

The third part of this trade expansion activity will be to invite businessmen from all over Canada to come to Ottawa to meet with our trade commissioners in private session. This will be similar to the meetings which took place here in Ottawa in December 1960, when, as you know, Mr. Speaker, something over 1,350 businessmen from all parts of Canada came to Ottawa, and in more than 10,500 individual half-hour sessions with our trade commissioners from all parts of the world were able to find out at first hand what chances there were for selling their products in the markets in which they were interested. In many cases they found out for the first time that to their great surprise sales could be made of their products in those markets; and since that time they have become firmly established in the export market, their sales have grown year by year, and they are making good sales which have resulted in worth-while increases in employment in their plants. The program which we expect to have carried out here in Ottawa at that time we believe will be about twice the size of the conference that was held in

December 1960, and at that time the businessmen who come to Ottawa will not only be able to talk with our trade commissions from all around the world, but will be able then to go across the road and talk to our departmental officials in the trade and commerce building, to the great benefit of both.

Then following that, Mr. Speaker, on September 7 the government held here in Ottawa an industrial expansion conference to which were invited over 400 leading industrialists from every part of Canada, who met with senior government officials to discuss the means that we in this country can adopt for promoting additional industrial expansion. In particular, the conference was called to discuss how to bring about the greater use of products, either made in Canada, or which could be made in Canada but which are now being brought into Canada from outside sources. In the morning, papers were presented by six outstanding industrialists: specifically, the president of the Ford Motor Company, the president of the Imperial Oil Company, the president of Du Pont of Canada, the president of Electrohome, vice president of Northern Electric Company, and vice president of the T. Eaton Company. They were chosen to present these papers because already in their company they had made important contributions to the purpose we had in mind, which is specifically the expanding of the use of products which are already made in Canada, or which could be made in Canada, and which are being brought in from outside.

In the afternoon, a wide open discussion was held. I think it was the opinion of all those who attended, both government and businessmen, that a great deal of benefit resulted. Typical of the excellent papers that were presented was the one given by the vice president of Northern Electric Company, who outlined in some detail a plan which his company had been operating for the past six years. This plan entailed the following. They set up a team of engineers who examined more than 10,000 individual products which the company at that time had been importing into Canada for use in their production, in order to see which of these products either could be bought in Canada, or could be produced in Canada. They set themselves two extremely strict criteria. The first was that they would not accept anything inferior to what they had been bringing in from the outside, just because it was Canadian. The second was that they would not pay more for the product just because it was Canadian. Operating on those two extremely tough criteria they found that the result of this operation has been no less than spectacular. Of more than 10,000 products which formerly were imported into Canada by this company, today only 800 are imported, and they are still working on those 800 in order to ascertain which of them can be changed from one category to the other. The remaining more than 9,000 products which they formerly imported, of a total value of $11 million a year, are now manufactured in Canada, and are providing 1,600 steady year round jobs for Canadians to work at. This operation has resulted in a substantial saving to the company, and the tooling costs have been recovered in the first 12 months of production of the new products. I believe we would all agree that this is an excellent example of what can be done to use more products which are now being made in Canada, or to have manufactured in this country products which we are now bringing in from the outside.

Many of those who attended the conference have since told me that they have already started on a program similar to that embarked on by Northern Electric Company six years ago. As a follow-up to this conference, we are going to hold, all across Canada, similar conferences on a regional basis. The purpose is to bring together Canadian producers in all regions of Canada in an effort to try to get as many as possible into this worth-while and important program to produce more products here in this country and to work out the practical details with the practical men concerned at those regional conferences. The first of these regional conferences will be held in Montreal in the first week of November. Other conferences are planned in other parts of Canada in the months ahead. When completed, this program will produce many thousands of additional jobs for Canadians to work at.

Mentioned in the speech from the throne were several measures which were designed to help industry become more competitive, which already appeared in last spring's budget, and which will be presented to parliament for passage at this session. The first of these measures reduces the tax rate by 50 per cent on sales in excess of those made in the previous year. This tax incentive will be a great spur to production. It will make it possible for producers, who up until now, particularly in the export field, have not felt that certain ventures provided sufficient profit margin to make it attractive to enter those export fields. Now, with this production incentive, they will be able to enter those export markets, become established, and produce more sales and jobs for Canada. It will also be a great help to Canadian producers who produce for the home market, to help them to meet stiff competition from products that come into this country from other sources.

The second incentive is one which makes it financially attractive for producers to do more research in our country. This will do several things. First of all, it will help to improve the design and quality of Canadian products, and will help us to do something which we must do if we are to be as successful as we must be in the markets of the world, namely, to produce individual and distinctive Canadian design and qualities which people will ask for by name. Second, it will provide work for our young scientists, who, all too often, come out of university here in our country and drift to other more lucrative jobs in other countries. It is hoped that a great many of these young scientists will now, as a result of this incentive, be able to stay in Canada. The third incentive encourages the exploration and development of our oil and gas resources. The benefits from that policy, of course, are only too obvious.

Also, in the speech from the throne is mentioned a measure to help producers make sales in the export market, namely the proposed amendment to the export credit legislation. This will make it possible for the Export Credit Corporation to handle a great deal more business on terms which will be more beneficial to our customers, and also, thereby, our export business. This export credit legislation, and our export financing legislation which was amended at the last session, has made it possible for many millions of export sales to be made in all parts of the world and which otherwise would not have been possible. As you know, Mr. Speaker, the export credit legislation insures against loss in these foreign sales, and the export financing makes it possible for us to sell capital goods on long term credit; sales which would otherwise be impossible to many countries to which we sell. These policies will be continued, and will be expanded where necessary.

The programs and policies that I have mentioned are, as I have said, aimed at helping industry produce and sell more efficiently and effectively. However, I think it is obvious to all of us, especially those of us who are engaged in business, that the most important effort must come from industry itself. Government can do a great deal to help industry, and government is doing so and we plan to do more. But industry of course—and this is recognized by industrialists—must do a great deal to help themselves.

Today I am glad to say that I sense a new spirit of confidence and competition among businessmen in Canada. Whereas a few years ago Canadians did not think they could compete overseas in many lines, they have now learned they can do so by having these things pointed out to them by our trade commissioners and other people who have been in these markets. They are learning that Canadians can compete successfully in world markets if their product and their price are right. Also, Mr. Speaker, in my opinion, labour, management and government are moving considerably closer together, and are showing a greater willingness to co-operate. As you know, this is extremely important, as it is one of the main reasons why those who compete against us in trade from countries of western Europe are being so successful in their competition against our products. There, labour, management and government sit down at the same table, and in a really co-operative spirit, work out ways and means whereby they can make their products competitive so that they will sell in markets around the world. I think an outstanding example of this new labour-management co-operation was in the excellent railway settlement that took place here in Canada only a short time ago.

Management and labour, travelling together on our trade missions abroad, have seen at first hand how labour and management co-operate in these other countries through which they have travelled, and how this co-operation is making it possible for those competitors of ours to make their products competitive and thereby sell and provide jobs.

Our trade commissioners abroad can do a great deal to help Canadian producers sell their products in the markets of the world. They tell us that Canadians have a great reservoir of good will in all the markets they serve; but these foreign buyers want to see us visit their markets in person; bring our products with us; get to know these buyers; discuss our products with them; and make the sale on the spot. They tell us that if our products are competitive in quality, design, price, service and delivery, we will get a break on almost every occasion, because these people like doing business with Canadians. They like doing business in dollars. They like doing business with people who live up to their word, as Canadians do, and whom they can trust in a contract. Generally, for many reasons, they like doing business with Canadians, and therefore we should make the best use of this very real advantage that we have. But, as I have said, our people must be willing to go abroad and make contacts and sales.

If our products are competitive, they will sell, and thus create jobs. If they are not competitive; if they are passed over; then they will not create jobs, and they will not create profits. The people of western Europe and Japan have learned that only too well. It is up to Canadians to realize that more

than they appear willing to realize it at the present time. I believe and I am confident, Mr. Speaker, that if we are willing to work as hard with our brains and with our hands as our competitors are willing to work with their brains and their hands, we can have any level of employment in this country that we are willing to work for.

The government, as I have tried to outline in this house on many occasions, has a great many services available free of charge to business, to be used by these businesses to help them produce better for the domestic market, and to get into the export market, no matter what size they are, and sell with success, to enlarge their sales, to enlarge their runs, to get their costs down, make more sales, and create more jobs. But there is just so much that we can do if they do not get in touch with us. I appeal to every member of the house to go to the producers in his area and tell them that if they are interested in developing small businesses, or making small businesses bigger, they should get in touch with us and tell us what their problems are. We have answers to almost any problem they have got. We are not miracle men, but we have people who have made studies in practically every line of business, and we can be of assistance to businessmen, no matter what the size of their businesses. We can help them produce more efficiently, we can help them produce more effectively, but they must get in touch with us. Please have them get in touch with us so we can be of use to them at no cost to them whatever.

We can help them to get into the export market, no matter what size they are, if they have a product that is a good product or if they are willing to work to make it a better product. We can tell them what they have got to do to make sales abroad, what they have got to do to produce a product of better quality, design, price and so on. We can help them, but we want them to let us know they are interested. Help will then be readily available and will come forward in a very short time, a period of time which may surprise them.

In conclusion, Mr. Speaker, I say that at this particular time when the world is a very competitive place indeed, when new market arrangements are developing; when the general movement appears to be toward a lowering of tariffs; when businesses have got to stand more and more on their own feet; it is up to Canadians in every line of economic endeavour to get to work to bring their costs down and to get their quality and design up, so they can stand on their own feet, and so they can expand in this tough, competitive world. We have a great challenge facing us today, as has every country in the world, because there is a limited market and a great many people competing for it. Nobody is going to buy our products just because they are Canadian. They are going to buy only if they are the best quality and the best price.

I am convinced that Canadians can produce products that are better, and can be sold more cheaply than those of anybody else in the world. I am not willing to accept as a fact that we cannot. This government is ready and willing, as it is doing day by day with people who are coming to see us, to help people to produce better and sell their products more effectively and more widely. I am convinced, as I say, that if we are all willing to work hard to make our products competitive, and if we are willing to go out to the markets of the world and sell our products aggressively, we can enable this country to reach its full economic potential. Mr. Speaker, it is up to us.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, my first words in this debate are to extend my sincere congratulations to the mover and seconder of the address in reply to the speech from the throne who, I believe, acquitted themselves very well on that occasion. I have been asked by the Leader of the Opposition (Mr. Pearson) to put forward at this time some views and policies of the Liberal party with regard to the important field of agriculture. I think it is fitting that at this early stage in the debate this very important industry in this country should be recognized by having a full discussion of its problems. The Minister of Agriculture (Mr. Hamilton) has gone about the country telling the people of Canada that he has solved many of the agricultural problems. He has been quite a good salesman of his party. He has been selling the Tories, Mr. Speaker.

I should like to examine some of the things that have actually been going on, some of the statements that he has made and alongside them some of the actions of the government. It has already been said in this debate by the Leader of the Opposition that the Minister of Agriculture did not recognize any recent financial crisis. In the Toronto *Star* of June 21 he is reported as having said:

> There is no crisis that anyone can point a finger at.

Yet on August 30 the minister issued a statement "related to the necessity of reducing government expenditures", to quote his words, announcing a cut-back in the premium paid on grade A hogs. So the producers of hogs across the country have become victims of a financial crisis about

which the Minister of Agriculture has known nothing. This is one of the things that has been done by the government as a result of this so-called austerity program. In the recent election, Mr. Speaker—

Mr. Woolliams: I wonder whether the hon. member would permit a question?

Mr. Argue: No, my time is limited. When I sit down I will be very glad to hear from the hon. member.

On May 25, during the recent election, the Minister of Agriculture stated in Preston, according to the Kitchener-Waterloo *Record*, that subsidized agriculture was on the way out. The heading on the newspaper report read, "Subsidies to Vanish". That seems to be the course which he is following. There has been the reduction in the premium on hogs and a recent report in the newspapers indicates that the government may soon move to abolish the payments of storage under the Temporary Wheat Reserves Act. These payments are very valuable to the wheat producers of the country and were first introduced many years ago by the late Right Hon. C. D. Howe.

The Minister of Agriculture has not been able to be in the chamber at this time but, when he speaks, I would ask him to assure the producers in western Canada that this legislation will be maintained and will not become a victim of the government's austerity program.

The minister has pointed out the steps which the government has taken in regard to crop insurance. These steps were very welcome, but of very limited benefit.

How much crop insurance is there in Canada today? There is a scheme in Manitoba that covers about 25 per cent of the farmers, and another in Saskatchewan that covers less than 2 per cent of the farmers. Provincial governments have steered clear of crop insurance mainly because they have felt they could not underwrite, as they are required to by the act, the total losses which might be involved.

Now the Minister of Agriculture has a new program. On May 21 he stated in Manitoba that he was about to sign a new agreement on crop insurance with the provincial government of Manitoba in order to provide reinsurance of crop losses. Although on May 21 he inferred it was about to be signed it has not been signed yet. Indeed it could not be signed because it would not be in accordance with the law as it now stands, and there was no announcement in the speech from the throne that the government intends to do anything to improve the crop insurance program. Here is one place where the government should act, and act immediately.

During the recent election the Minister of Agriculture made a lot of forecasts in relation to the government's policy and took a lot of credit for a lot of things he said had been done. Since December 1960, we have heard the minister talk about ARDA, the Agricultural Rehabilitation and Development Act. This act was to do wonders for Canada. It was to lift the face of agriculture; but what has been done under it? To date not a single agreement has been signed with any provincial government under the terms of this legislation, according to the information I have received. To sign an agreement you have to have two signatories, and I just wonder what progress has been made in that regard.

The speech from the throne says that the government is making progress under this act. It introduced this act in December, 1960, and now it is coming to parliament for the first time seeking money for something to be done under it.

Under the Prairie Farm Rehabilitation Act, introduced by the former administration, almost 2 million acres of land were turned into pasture. How much land has been brought into pasture under ARDA? I ask the Minister of Agriculture to answer that when he speaks in this debate. A pamphlet was printed shortly after the Agricultural Rehabilitation and Development Act was introduced in this house. It was circulated across the country and could be read everywhere, but what projects have been undertaken to date?

During the election the Minister of Agriculture told farmers in western Canada how well they were going to get along and, according to him, how well they were getting along. He said, "Our markets are going up; we are selling more wheat." On June 12 in Edmonton, according to the Canadian Press, the minister said that the sales this year were expected to be 375 million bushels, an increase of 22 million bushels over 1961. In 1961 sales totalled 353 million bushels, and in the crop year just ended they reached 357 million bushels, not an increase of 22 million bushels but an increase of only 4 million bushels. Yet the minister made that forecast within seven weeks of the end of the crop year. It was not a very encouraging export total on the basis of the minister's own forecast.

Mr. McGee: Give us the 1957 figures.

Mr. Argue: The Minister of Agriculture gave the farmers some additional advice. They were talking about crop conditions and market conditions and he told them "Your job is to grow wheat; you grow it and we will sell it". The farmers have grown the wheat; let there be no doubt about that. The forecasts vary as they are being brought up

to date with the continuing harvest, but they are harvesting in the neighbourhood of 550 million bushels.

Last year the minister said we might run short of wheat. He said he was worried about whether he could get enough wheat. This summer they found 100 million bushels that they did not know was in existence and so they have got that much extra. With a carryover of 395 million bushels, and with the forecast crop now on hand this crop year, for sales, exports, seed and other uses we will have 947 million bushels of wheat. That is one of the highest carryovers of wheat this country has ever had.

The minister said we were going to have an increase of 22 million bushels in sales last year. The increase in fact, was 4 million bushels. He said what was worrying him was where he was to get wheat to meet all commitments. His worries should be over because now he has over 940 million bushels, and one may well ask how exports are going.

I have in my hand the board of grain commissioners statistical summary for the week ending September 19, 1962, for the crop year to date and, during the crop year to date, up to this point, 35.8 million bushels of wheat were exported from Canada as compared to an export of 52.3 million bushels in the same period a year ago. That shows a drop of 16,500,000 bushels in Canadian exports comparing the two periods this year with last year. That is a drop of more than 30 per cent, yet the Minister of Agriculture was telling the farmers he had sales for all they could grow. He started the election campaign by telling the farmers to grow 500 million bushels of wheat. Later on he grew really enthusiastic and said, "Grow 600 million bushels." The farmers have grown 550 million bushels but the minister is exporting 30 per cent less. What a colossal indictment that is, so far as the present export period is concerned.

According to press statements the minister said a few weeks ago that he was going to make a sales trip to Czechoslovakia, Yugoslavia and Poland, but added that he had to wait a couple of weeks to see if there was a crop. Everybody else knew there was a crop but the minister was waiting to see it. Then the story was given out that we were short of the exact grades of wheat which some countries wanted. Mr. Speaker, I would point out in answer to that that we had a frost and so the farmers produced all grades of wheat. Why has the minister not gone on his super sales trip? The other day he announced a sale to Poland, a welcome sale, but just a fraction more than the same quantity of wheat that was sold to Poland last year.

The government will have to do better. The government has been quite successful, the wheat board has been quite successful, in selling increased quantities of wheat to communist countries. But the sales of wheat to Canada's traditional customers in recent weeks have been falling away. Here is the challenge to the government. The minister said, "Produce the wheat; we will sell it". He is going to have to do a little better than the exports so far this year, which are off by 30 per cent.

The Liberal party enunciated an agricultural policy during the election campaign. The Leader of the Opposition came into the city of Weyburn, Saskatchewan, made a speech and said that a Liberal government would guarantee a return to the producers, during the life of the current international wheat agreement, of not less than $2 a bushel for No. 1 northern wheat, Fort William. The Minister of Agriculture pooh-poohed this. He said it did not mean anything. He said, "Why, under our policy wheat prices will climb close to the ceiling of $2.19 a bushel under the international wheat agreement". He said to the farmers, "Vote for us; you will get another 19 cents a bushel". Where is it?

Mr. Hales: They voted for him.

Mr. Argue: They voted all right, but prices did not rise. I have the figures on my desk. There has been an increase of one eighth of one cent per bushel for No. 3 northern wheat, the recent price at Fort William was $1.96⅝ as compared to $1.96½.

The minister said to the farmers, "Vote for the Conservatives; you will get $2.19", and the price has not yet reached that which the Liberal party was prepared, had it formed government, to guarantee as a floor price; not as a fixed price but as a floor price to the farmers based on No. 1 northern in store at Fort William.

Many promises have been made, many statements have been made; but I suggest that the record of the government is not in keeping with the promises it has made or the forecasts it has made. Agriculture in this country is going through a very difficult period of adjustment and there are many, many agricultural producers in 1962 who have great difficulty in making ends meet. Although cash income has gone up to some extent, farm net income from 1958 to 1961 fell by almost 30 per cent. This is not a record that should commend itself to anyone.

There are changes that should be made in the agricultural policies being followed in this country. The farmer is essentially a part of the Canadian nation and a part of the

Canadian economy. All the organized producers of this country ask is a chance to share in the great wealth of this nation and the great production that should be ours. This share, in an adequate way, can come about only when there is full employment; only when there is growth and expansion. So to bring about the policies of the Liberal party in the field of agriculture, as in other fields, the revenue will come as a result of expansion and full employment.

The government has an agricultural prices stabilization act that it has bragged about. This is the measure that was to give the little farmer, the producer of hogs and the producer of eggs a chance. Since that act has been on the statute books, not one penny has been paid by way of a deficiency payment to the hog producers. The egg producers received a little years ago when this act was first placed on the statute books. Egg prices have fluctuated greatly. The producers of eggs in many parts of Canada—in all parts of Canada at some seasons of the year—have received prices not in keeping with a stabilizing policy.

Therefore we propose two basic changes in this act and in the way it is administered. First, that instead of waiting a full year to make the calculations on which deficiency payments might be made, and all the inequities that result from that kind of a formula because of seasonal fluctuations, the calculations shall be made on a quarterly basis. This would provide a larger measure of support for producers of hogs and eggs.

Second—and this is a policy that has been recommended by the Canadian Federation of Agriculture—regional supports should be provided in this legislation. It should not be just one figure for all Canada, but rather there should be basic support prices for various regions and the deficiency payments made on a regional basis.

This session the government is proposing some legislation having to do with storing feed grains in eastern Canada and British Columbia. This is something that is required. The producer of livestock in eastern Canada and British Columbia is at a disadvantage because he does not have large supplies of feed grains readily at hand.

There is one thing I suggest the government should do, and should do immediately. That is to place on a permanent basis the freight subsidy on feed grains from the prairies to eastern Canada and British Columbia. This should not be just an item in the estimates; this should not be in the same position as the premium on hogs, which can be taken away at any time. This should be placed on a permanent basis, in the statutes of this country.

ARDA is an act that can be useful; it is an act under which a great deal of good can be done. So was, and is, P.F.R.A. The government, at least in a large part of Canada, did not need another act half so much as it needed the determination to do something under the act that was available. The Prairie Farm Rehabilitation Act, in spite of all the criticism that might be made from the other side, is the only act on the statute books today that has made any major contribution to land use and redevelopment in this country. ARDA has been good for the Tory party; it has been good propaganda. But very little has been done under the act, and we are asking the government to do something more than window-dress.

Mr. Speaker, the field of crop insurance is something that should be improved and expanded. The minister makes a lot of noise and a lot of propaganda about crop insurance, and seven provinces out of ten have no crop insurance.

Mr. Hamilton: Correction.

Mr. Argue: If we are to have crop insurance that means anything in this country, the government will have to bring in amendments to the act to provide for reinsurance, so that the federal government will underwrite some of the total liabilities that are now borne by the provinces under this act. Under prairie farm assistance the federal government and the farmers in western Canada had something of a partnership; the federal government paid approximately 50 per cent of the cost and the farmers paid about 50 per cent. When this government introduced the Crop Insurance Act it did not do as much under that act for the farmers in western Canada who would have crop insurance and the farmers in other parts of Canada who might some day get crop insurance; the federal government was prepared to pay only 20 per cent. The 50 per cent of P.F.A.A. was reduced to 20 per cent. If the Crop Insurance Act is to function well, the 20 per cent figure should be increased. This is another of those good policies being advanced today by the opposition in this house.

The minister says everything is well on the prairies. He says the farmers out there have never had it so good. Well, as far as the bins are concerned, the bins are full and the wheat is good. The spokesmen for the Conservative party went back and forth across western Canada during the election. A senator, Senator Hnatyshyn, came into my home village. He said: Farmers, you need not worry any more about quotas; you can sell all you can produce. The quotas are there and the elevators are full. Why, he said, markets are going to be so good that you

will haul the wheat directly from the combine to the elevator. What a joke. The Minister of Agriculture said the price of wheat was going to rise—

An hon. Member: May I ask a question?

Mr. Argue: After I sit down you can ask all the questions you like.

The Minister of Agriculture said the price of wheat was going to rise; produce more. Well, the price of Durum wheat to the producer on July 31 was $2.50 a bushel No. 1 CW store Fort William. The very next day it was reduced to $1.50 a bushel. No inkling was given by the minister during the election that if he became the Minister of Agriculture after the election such action would be taken. The farmers have produced a lot of wheat. They have produced a lot of spring wheat and a lot of Durum wheat. The wheat pipe line is full, but the markets are not there and exports are going down. The rate of export from the lakehead this year is just a little more than 50 per cent of what it was last year. These, then, are the wonderful conditions to which this government was looking forward.

The policy of the Liberal party to guarantee $2 a bushel for No. 1 northern for three years is a good policy and a necessary policy. If it were in effect at this time it would give real assurance to the farmers. The Liberal party goes beyond that and says it is prepared to provide a two-price system for wheat sold in Canada, which means a return to the producers of western Canada over and above the $2 a bushel.

We believe there should be a more aggressive sales effort—that the Minister of Agriculture should not have cancelled his prospective trip, and that in addition to selling grain to communist countries—a good policy—the government should make a greater effort to maintain and expand the sales of wheat to our traditional customers. The way to do this is in accordance with a general trade policy in support of the European common market, and in support of free trade, not by a continuation of high tariff policy, not by ridicule of the British government and by the course of generally obstructing world trade which this government has been following.

In 30 minutes there are many things in connection with the agricultural situation that one is unable to mention. There will be other speakers from this party who will deal with further aspects of the agricultural situation in the course of this debate. They will present and develop further policies to deal with this industry. However, there are two more things I should like to mention in the few minutes at my disposal. One is this: it is time there was developed now a policy on railway line abandonment. The royal commission on transportation, the commission set up by this government whose report was presented to this government, said in substance: let the railway companies take up the branch lines. They are doing that now; they are making applications to the board of transport commissioners for that purpose. We say this government should have a policy with regard to railway line abandonment—that the people who built their farms and businesses along those branch lines which will be affected should not suddenly find that as a result of a simple declaration the lines are to be torn up and the value of their properties sharply decreased. We believe there should be a policy as a result of which anything which is necessary in this respect may be done in an orderly fashion; that there should be policies to cushion some of the financial loss which is bound to result. The effects of such a policy will not be confined to any one part of Canada. The board of transport commissioners will be going back and forth across this country and branch lines may be taken up in any part of this nation.

I began by saying I did not feel the agricultural producers were asking for special consideration. They are asking for a fair break and if they are given a fair break they can give a very good account of themselves. But there is another thing they would ask, namely that steps should be taken to make it easier for them to obtain farm labour on a basis comparable to conditions under which labour is obtained in industry and in all parts of Canada. We say, therefore, it is necessary that the Unemployment Insurance Act be extended to cover farm labour as far as it is possible to do this in a constructive way, in consultation with the farm organizations. It is time the farmer had an opportunity to hire a worker in circumstances where the worker would know that if he obtained employment in the agriculture industry he would be eligible for the same kind of unemployment insurance benefits as are those employed in other industries and in other parts of the country.

The features I have outlined are only part of a very excellent agriculture program which I believe the farmers will support in increasing measure in the days ahead.

Mr. Hamilton: May I ask the hon. member a question?

Mr. Argue: Fine with me.

Mr. Hamilton: I should like to ask the hon. member for Assiniboia whether in view of the statements he has made during the last

30 minutes I am to understand that he is the official spokesman for the Liberal party in this house?

Mr. Argue: I have nothing to add to or take away from the remarks I made.

Mr. Woolliams: I should also like to ask the hon. member a question. As I understood his introductory remarks he left the impression that the policy of this government was not good for the hog producers. It so happens that at this moment—

Some hon. Members: Question, question.

Mr. Woolliams: I will put the question. Is that the statement which the hon. member for Assiniboia made—that the policy of this government is not good today for the hog producers?

Mr. Argue: What I said was that it was a very bad thing for the Minister of Agriculture to ask the hog producers of this country for support for the government on the basis of a $3 subsidy for grade A hogs and then reduce it by $1 a few weeks afterwards.

(Translation):

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to direct a question to the hon. member for Assiniboia (Mr. Argue). He said that there were large quantities of wheat but that at $1.50 a bushel, there was no market. As a solution, he suggested to bring up the price to $2.00 a bushel. Would this allow him to find markets for our wheat?

(Text):

Mr. Argue: Mr. Speaker, if I understood the question aright, it was about the price of $1.50 for wheat, and had I found markets for the wheat?

Some hon. Members: It was $2.

Mr. Gregoire: If you do not get markets at $1.50, then how do you get markets at $2?

Mr. Argue: Well, I thought that some of the older members who were giving us this "hee-haw" would know the answer to that question themselves; they have been here long enough. The price of $1.50 a bushel is the initial price being paid to the producers and it was the initial price that was reduced by $1 a bushel. My statement had to do with Durum wheat, and the last figure I had showed that it was selling for around $2.62 a bushel, which was very much lower than the $3.55 a bushel during the election campaign when the minister said all was well.

Mr. J. C. MacRae (York-Sunbury): Mr. Speaker, in rising to take part in this debate my first words must be of congratulations to the mover and the seconder of the address in reply to the speech from the throne. They have acquitted themselves well. Their families and their constituents have every right to be proud of them, and we can see a great future for them in this house. I should like too to congratulate you, Mr. Speaker, on your elevation to the office which you hold. Your record in peace and in war is known to all of us, and we wish you many years of success in your position. To you, sir, now occupying the chair we extend our congratulations and our best wishes; your reputation for fairness and common sense is well known to all of us.

Mr. Speaker, I will be brief because I know there are many who wish to take part in this debate. Many years ago it was said to me that there are four primary duties of a member of parliament. First, he should press for those measures which are in the national interest. Second, having done that he should work for those measures which are in the interests of his region, of his province, and of his constituency. Third, if he is a party man, as we in this country who adhere to the party system are, he should support his party; he should be loyal to his party. Finally, it is his duty, having served, to be re-elected. I do not intend to discuss in the short time at my disposal the last two of these, but I should like first of all to talk about those measures in the speech from the throne which are of interest to all of us nationally, then, the matters of interest to those of us who come from the beautiful province of New Brunswick; and lastly, matters of interest to me in my own constituency of York-Sunbury.

Mr. Speaker, I feel that every one in this house regardless of party should compliment our government on the program of legislation which is envisaged in the speech from the throne, and on the action which is intended through that legislation. I would especially like to commend for his address to this house the Minister of Trade and Commerce (Mr. Hees). President Kennedy a short time ago said of the United States of America that they either had to "trade or fade". The Americans use many of these catch phrases, but this one, it seems to me, is very apt. The Minister of Trade and Commerce has brought to his department a dynamic approach, and the steps which he listed this afternoon will go far in keeping Canada in its rightful place in the world.

Another measure in which I was interested, which was discussed in the speech from the throne, was the royal commission on taxation which is now sitting. As one interested in small business, I feel that our government should take the lead in reducing taxes. We are now taxed too much. Taxes after a while tend to become a burden and to stifle industry. I was especially pleased to note that this commission is soon to report.

The last speaker mentioned the unemployment insurance fund in connection with another group which he thought might be brought under this particular fund. I believe, and I think all sound-thinking Canadians believe, that something will have to be done in the near future about the tremendous number of abuses which are taking place under this fund, abuses which were never envisaged when the fund was set up. Also, the proposal to set up a national welfare council was mentioned in the speech. I have never agreed with the principle that voters should be bribed through welfare payments. I think that we in this country have now reached the limit in welfare payments beyond which it is not safe or wise to go. I was pleased to see that in the speech from the throne there were no handouts. True, some people—and this was proven in the last election—are bribed at times by such promises, but surely the majority of right-thinking Canadians will see these promises for what they are worth.

There were two other measures of interest to me. I believe that contributory pensions are a most worth-while step. If people are shown that they do not get anything for nothing in this world but must pay for everything, then I believe they will accept and support this measure. Contributory pensions will make it possible for people to set aside amounts under some well defined plan for their old age to supplement what governments can provide. Also, there was the question of portability of pensions. I realize that this is a provincial matter, but I would urge our government to take every possible action to encourage the provinces to help bring this about. Unlike some who are economists, perhaps, I get a little bewildered on occasion with monetary funds, devaluation, and matters like that, but there is one thing about which I have no doubt at all. As far as devaluation is concerned, we in the maritimes have had the best tourist season in the history of that part of Canada, and I am sure that will also apply to all parts of our nation. For that we can thank devaluation.

I have another item I wish to discuss which is of great interest to me, that is, that we should give consideration to the establishment of a national office of education. True, under the British North America Act each province has its own system of education, and, of course, Quebec has two. That was necessary in times past, but times have changed. In the old days it took many weeks to get across our great nation. Now we can cross it in a few hours. Families are moving about. In my constituency we have Camp Gagetown, and there are several thousand soldiers there with their families. A few years ago I was told that one family had moved five times in one year, and they had children. Hon. members can see what that would do to the education of these children. I think that it is time that we gave some thought to standardizing education across this nation, and I believe it will come, with, of course, the co-operation of the provinces.

Mr. Speaker, I have reason to believe that the next point will be touchy to many hon. members. It was mentioned in the speech from the throne that consideration would be given to the question of a Canadian flag. As far as I am concerned there will be no other flag that I will support except the red ensign. That was the flag under which I fought during the last war. It was good enough for those who came before me, and I am satisfied with it.

Those were the national measures about which I wanted to speak. Now I should like to talk for a moment or two about matters of provincial and constituency interest. When I came here a few years ago, a very fine member of the House of Commons represented the constituency of Fort William. He had been here for many years. After I had been here about a month or so, he took the occasion one day to walk across the floor of the house to this side to talk to two or three of us. He said to us: "Young fellows,"—I was rather complimented by that—"you will find that there will be so many things going on here that you won't be able to keep track of them all. I suggest to you that you pick out three or four of more interest to you than anything else, get to know all about them, and press for them on every possible occasion. In that way you can make your greatest contribution to this house". On thinking that over, I decided that my objective would be to support in every possible way those measures which would raise the economy of our Atlantic areas of Canada, our maritime provinces.

The history of the maritimes is well known. It is said that England suffers from too much history; but we in Canada suffer from too much geography. We in the maritime provinces are an example for the second part of that statement. We suffer because we are so far away from the central part of Canada. We know that in 1864, when the maritime provinces were talking of union. Sir John A. Macdonald came to Charlottetown. He persuaded those meeting there to go to Quebec, to give up the idea of a maritime union, and to join in the formation of the Dominion of Canada. We did that, of course. On the first day of July in 1867, the Dominion of Canada came into being. However, we gave up a great deal in the maritime provinces when we went in with Upper and Lower Canada and formed this nation. Our trade had been with the New

England states, in the days of the wooden ships and iron men. Some have said to me that it might have been better if we had joined the United States in those years. Perhaps we would have been better off. On the other hand, perhaps we would not. At any rate, over the years our people have had to leave the maritime provinces. They have gone out to the rest of the nation and they have gone to the United States to head universities and great business establishments. That is the sort of thing that went on for nearly 90 years until in 1957 there came into office in this country a government which had a new concept of the problems of the maritime provinces. I refer to such matters as adjustment grants, aid to power development and all those other things.

Finally, in the speech from the throne there is the proposal to establish an Atlantic development board. I should like in a moment to quote a short editorial which sums up this matter very well. It is sometimes said that it is all right for you fellows in the Atlantic provinces to be complaining all the time, but what are you yourselves doing about this matter? We are trying to do something, Mr. Speaker. We are trying to raise ourselves by our bootstraps. An example is the Atlantic provinces economic council formed eight years ago and now composed of 1,800 able businessmen, university leaders and so on in the maritime provinces. They are trying by every means at their disposal to encourage industry, by research and development, to raise further the whole level of Atlantic Canada.

I believe that the solution of our problem in the maritime provinces—and certainly in my own province of New Brunswick—lies in the establishment of small industries which will employ 10, 20, 50 or 100 men and based on our natural resources. The experience has been that if one big industry closes, a whole section of our region can be vitally affected, as illustrated by the difficulties in the coal producing areas of Nova Scotia. We, of course, know of these difficulties and we sympathize with these people of Nova Scotia who are having them. However, there is not very much that can be done about the matter. We know that today coal is not being burned. We know that oil is taking its place. We realize the difficulty in the lumbering industry because of automation. Years ago logs were being cut by means of the saw and the use of men's strength. Then the chain saw was invented. It could do in one day what eight men did previously. Now there is a machine that will go through the forest and harvest logs like a mowing machine going through a field of hay. To my mind, small industries are the answer to our economic difficulties in Atlantic Canada today.

Now, I should like to quote briefly from an editorial which appeared in the daily *Gleaner* of September 28, 1962, and in which the Atlantic development board is mentioned. It states as follows:

> The great news for maritimers in the speech from the throne is, of course, the Atlantic development board announcement. This is what the people of the Atlantic provinces have been fighting for over the past years. It signifies the realization of our hopes and the fulfilment of our aims.
>
> The Atlantic development board will be the means of implementing the pledges inherent in the Atlantic resolutions. In announcing in the maritimes his intention to establish it, Mr. Diefenbaker coupled it with the Chignecto canal and tidal power development. He said then that he hoped the proposal for the Chignecto canal would be the first project brought before the board, and that the board would also complete the power studies . . .
>
> Here at last—

In the words of the editorialist of this great champion of Atlantic development,

> —is the means at hand to end the injustice that has cursed the regional economy for a century.

It has been said, Mr. Speaker, that we as Conservatives have not obtained the best press over the last few years. Perhaps that is so. If it is so, perhaps in many cases it has been our own fault. I believe that if Canadians are fully informed about the steps which this government is planning and which are envisaged in the speech from the throne—and by the way, I feel that the press has been giving excellent coverage to it during this past week—they will commend and accept them and will support this Conservative government in the steps which it plans to take in the years ahead.

Mr. Laing: May I ask the hon. member a question?

Mr. MacRae: Yes.

Mr. Laing: Did I understand the hon. member to say that he had knowledge of an army family which had been moved five times in one year?

Mr. MacRae: That is what I was told.

(Translation):

Mr. Vincent Drouin (Argenteuil-Deux-Montagnes): Mr. Speaker, may I ask a question of the hon. member who just took his seat?

Mr. Speaker: If the hon. member is willing to accept your question and wishes to answer it, he has the time to do so, but you cannot insist upon a reply from him. However, you may ask your question.

Mr. Drouin: I am not insisting, Mr. Speaker, I am simply asking if I may put a question to him.

Does the hon. member understand that other Canadian citizens are not satisfied with the red ensign as a Canadian flag?

(Text):

Mr. MacRae: As I said, I feel that this throne speech contains the finest program of legislation that has been offered, certainly in my time and in the time of many of us sitting here. I believe that Canadians will accept and commend it and will support the government on it.

Mr. Speaker: Is it the hon. member for Coast-Capilano who is to speak next?

Mr. Davis: Mr. Speaker, I surrender my position to the hon. member standing on this side of the house.

Mr. Pickersgill: That is the hon. member for Davenport.

Mr. Speaker: Order. I should like to draw to the attention of hon. members that with the whips the Chair has worked out a list of speakers. After some careful working out of these lists we have arrived at a proper balance. We have asked that the whips submit names in order for the Speaker to recognize the members and so as to keep some control. While the party may nominate anyone under the formula, the Chair would appreciate some foreknowledge of any switching within the party so that we do not get into the embarrassing situation in which the Chair is calling on a member who, according to the information supplied to the Chair, was the next one to speak. I should like that procedure to be followed.

Mr. Chevrier: I think Your Honour has a point in the statement he has made. However, I wish to bring to your attention, Mr. Speaker, the fact that last night under similar circumstances, exactly the same thing happened and it was unknown to us, although perhaps it was known to Your Honour. This unfortunately is a matter which was determined just a few moments ago. That accounts for the fact that Your Honour was not aware of it. I trust that it will not happen again.

Mr. Speaker: The incident referred to last night has been rectified. However, I would ask the co-operation of members in following the list that has been supplied to the Chair.

Mr. Walter L. Gordon (Davenport): Mr. Speaker, in congratulating you upon the very important office to which you have been appointed and in congratulating Mr. Deputy Speaker I should like to apologize for any part that I have had in this slight confusion between the hon. member for Coast-Capilano (Mr. Davis) and myself. I should also like to congratulate hon. members opposite who moved and seconded the address in reply to the speech from the throne. As a new member speaking for the first time in this house I can say with great sincerity that I thought they performed their tasks very well indeed.

I feel deeply honoured, Mr. Speaker, to be here, a new member of this house, as the representative of Davenport riding in Toronto. I follow in the footsteps of two men who served that riding faithfully and well, Mr. Douglas Morton from 1957 to 1962 and my friend, the hon. member for Trinity (Mr. Hellyer), who was the member for Davenport from 1949 to 1957. Both these gentlemen have many friends in the riding and I shall hope to live up to the standards they have set.

Davenport is typical of the changing city of Toronto. Probably a majority of the residents of that riding were born there or have lived there for a long time; but in addition there are a great many others who have come to Canada since the war. Many of these people have language problems and thousands of them have not yet obtained their Canadian citizenship. These newcomers are unfamiliar with our ways and they should be given special attention and special help with their problems. Many of these newcomers are making a very great contribution to the life of Canada and to the life of Toronto. In Toronto their presence is being felt in the professions, in business, in politics, in the arts and in the art of living. Toronto is a more pleasant place in which to live than it used to be, and to a large extent this is due to the influence these new Canadians are having.

One of the changes, Mr. Speaker, is that the term "Tory Toronto" no longer has any meaning in that city, except perhaps in an historical sense. I expect that 16 of 19 members from the Toronto Yorks and Peel constituencies will agree with me when I say this, and we hope to do better next time.

Mr. Chevrier: Particularly in Eglinton.

Mr. Gordon: Davenport, as I say, is typical of this new Toronto; and its people, its residents, have the same problems and the same fears as many hundreds of thousands of other people in urban centres all through this country.

The first of these is unemployment and the fear of unemployment. This is the No. 1 problem for this parliament to deal with and I for one was not impressed with the rosy optimism and the questionable statistics expressed in the speech from the throne on this score. If anybody would like to go to Davenport or to any other of the similar ridings in Toronto he will find plenty of unemployment now, and the fear that there will be a great deal more unemployment before this winter is over.

In addition to this fear of unemployment, there is a great need in these urban centres particularly, although I think it applies to all ridings throughout Canada, for more action and more help in the field of social security. There is a clear need for a national health plan.

Mr. Knowles: Ever since 1919.

Mr. Gordon: The hon. member for Winnipeg North Centre (Mr. Knowles) is older than I and perhaps he knows more about 1919 than I do.

An hon. Member: He is not older than you.

Mr. Gordon: Then I apologize to the hon. member.

Mr. Knowles: You can read history, can you not?

Mr. Gordon: Anyway, Mr. Speaker, I am not too interested in what was needed in the past. I am interested in what is needed now and what must be done. I for one place a national health plan very high on the list and I place it with the need for more adequate provision being made for our older citizens. I include in this proper housing for those older citizens as well as adequate pensions. I think people are more conscious than they ever were of the need for improvements in our educational system, and I include in that vocational and training programs. These are things that concern not only the people of Davenport but people in most parts of Canada these days.

May I call it six o'clock, Mr. Speaker?

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

HOUSE OF COMMONS

Thursday, October 4, 1962

The house met at 11 a.m.

TRADE

WITHDRAWAL OF U.S.-OWNED SHIPS FROM RUSSIA-CUBA SERVICE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Secretary of State for External Affairs. According to a New York *Times* dispatch from Washington, presidential orders are to be issued legally banning U.S.-owned ships under foreign flags of convenience from trading between Cuba and the Soviet union. Does Canada contemplate similar action with reference to deep sea vessels owned by Canadian companies but flying the British flag?

Hon. Howard C. Green (Secretary of State for External Affairs): No, Mr. Speaker. Canada is not directly involved in this whole development. As a matter of fact I believe the United States has in mind various other countries which are actually engaged in this trade.

LUMBER—REPRESENTATIONS RESPECTING IMPORTS INTO U.S.

On the orders of the day:

Mr. John R. Nicholson (Vancouver Centre): I wish to address a question to the Minister of Trade and Commerce. In view of the importance of the hearing now being conducted in Washington by the United States tariff commission to look into a request by the forest industry of the Pacific northwestern states that exports of Canadian lumber be restricted, has the government instructed counsel to appear before the tariff commission to safeguard Canadian interests?

Hon. George H. Hees (Minister of Trade and Commerce): I think the answer to what this government is doing to assist the lumber producers of British Columbia in presenting their case in Washington was given yesterday when I replied to the hon. member for Kenora-Rainy River.

Mr. Nicholson: A supplementary question. As I understand it, this does not only involve lumber exporters in British Columbia but lumber exporters in all parts of Canada. Are their interests not being safeguarded?

Mr. Hees: As I said yesterday in my answer to the hon. member for Kenora-Rainy River, the Canadian government has taken the steps which it believes proper to be of every possible assistance to the lumber producers of Canada and, because of their particular interest, to the lumber producers of British Columbia in presenting their case.

Mr. Nicholson: My question was, has counsel been instructed to appear in order that witnesses may be cross-examined? I did not ask what assistance is being given but whether counsel had been instructed.

Mr. Hees: The government does not appear before the board in cases of this kind.

FINANCE

ROYAL COMMISSION—TESTIMONY OF FORMER GOVERNORS OF BANK OF CANADA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to ask the Prime Minister this question, which I trust I have properly regularized. Should former governors of the Bank of Canada James E. Coyne and Graham Towers be asked to testify in secret before the royal commission on banking and finance, would the Prime Minister assure the house that he will arrange for the amendment of the commission's terms of reference so that this undemocratic cloak of secrecy may be dissipated?

Mr. Speaker: With all due respect to the hon. member, I think he made his question even more hypothetical by the terminology he used. There is no indication that the former governors will be called, or that they may be called, as the hon. member has indicated in his question. I feel that at the moment his question is quite hypothetical and therefore not in order.

REQUEST FOR TAX RELIEF FOR PRIVATE PRODUCERS OF POWER

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I should like to direct a question to the Minister of Finance. In view of the urgent problem confronting the privately owned public utility companies in this country, is it the intention of the government to take immediate steps

to provide tax relief to the private sector of our economy devoted to the production of power?

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, the hon. member sent me notice of his question this morning. I can only say in reply that if this affects taxation, as it evidently does, it would be a budget matter, and if the government were going to take any steps with regard to it they could not be disclosed until the budget was brought down.

SIGNATURE ON CANADIAN DOLLAR BILLS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Minister of Finance. Can the minister explain why Canadian dollar bills dated Ottawa, 1954, one of which I have in my hand, bear the signature of Mr. Rasminsky as governor when he was appointed only in the summer of 1961?

Hon. George C. Nowlan (Minister of Finance): This is a matter of mystery which I will have to look into before I can answer. Perhaps the hon. member would give it to me. I should like to have it.

Mr. Chevrier: No, I will not give it to you but I will send it across.

(Translation):

GOLD RESERVE AND MONEY SUPPLY

On the orders of the day:

Mr. Maurice Cote (Chicoutimi): Mr. Speaker, I should like to put the following question to the Minister of Finance of which I sent him notice.

Could the minister tell us what is the value of the gold reserve kept in the Bank of Canada as a guarantee for the money supply of our country and what is the amount of the money supply at present?

Mr. Speaker: I must point out to the hon. member that his inquiry is worded in such a way that it is improper on the orders of the day. Under our rules, a member must give previous notice of his question long enough in advance so that the minister may prepare a reply. I feel that this question is out of order.

(Text):

SMALL BUSINESSES—SUGGESTED LEGISLATION TO PROVIDE CREDIT

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): I wish to direct a question to the Minister of Finance. Since the curtailment of bank credit by the chartered banks has seriously affected the operation of thousands of small businesses, will the minister consider emergency measures to amend the Small Businesses Loans Act in order to provide short term credit?

Hon. George C. Nowlan (Minister of Finance): I cannot accept the terms on which that premise is based. Any business to be brought before the house will be announced by the leader of the house from time to time as required.

(Translation):

Mr. Raymond Langlois (Megantic): Mr. Speaker, I should like to direct a question to the Minister of Finance.

Is it the intention of the minister to offer to small private concerns low interest loans because at the present time too many of them are going bankrupt as a result of the tight money policy?

(Text):

Mr. Nowlan: Government policy on this or any other matter will be disclosed to the house from time to time as required.

(Translation):

Mr. Raymond Langlois (Megantic): Mr. Speaker, I should like to direct a question to the Minister of Finance concerning a report published yesterday, October 3, in *La Presse*.

Is it true that the Bank of Canada issued a million of the counterfeit $1 bills which were circulating—

Mr. Speaker: Order. I do not consider it proper, on the orders of the day, to ask questions which deal with reports published in Canadian or foreign newspapers, especially when they require such a detailed answer as this one does.

(Text):

GRAIN

REPORTED REDUCTION IN CAR LOADINGS

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to ask the Minister of Agriculture a question arising from the dominion bureau of statistics daily bulletin dated October 3, which indicates that there has been a sharp reduction in car loadings of wheat and other grains for the seven day period ending September 21. Could the minister advise the house of the reason for this, and when he expects this trend will be reversed?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I answered a similar question to this on September 28, 1962 and the answer will be found on page 18 of *Hansard*.

POWER

COLUMBIA RIVER—REPORTED TALKS RESPECTING SALE OF DOWNSTREAM BENEFITS

On the orders of the day:

Mr. T. R. Berger (Vancouver-Burrard): Mr. Speaker, may I direct a question to the Prime Minister. In view of the fact that the Toronto *Globe and Mail* carried a report this morning that technical talks are taking place among officials of Canada, the United States and British Columbia regarding the price that the United States would pay for Canada's share of the power to be made available from the development of the Columbia river, does this mean that the larger question of policy concerning whether long term contracts for the sale of downstream benefits should be made has been settled?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not seen the report and therefore am unable to comment upon it.

[*Later:*]

Mr. Jack Davis (Coast-Capilano): I wish to direct a question to the Minister of Public Works. Would the minister please advise the house whether he is correctly quoted in the current issue of the Kamloops *Sentinel* to the effect that there is no necessary connection between the reference in the speech from the throne to long term export of electrical power and ratification by Canada of the Columbia treaty?

Hon. E. D. Fulton (Minister of Public Works): Yes, Mr. Speaker.

EXTERNAL AFFAIRS

COLOMBO PLAN—INQUIRY AS TO DECREASE IN CANADA'S CONTRIBUTION

On the orders of the day:

Mr. A. J. MacEachen (Inverness-Richmond): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. I should like to ask whether it is a fact that the Canadian government has already advised recipient nations that it intends to reduce its contribution to the Colombo plan.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I think I dealt with that question yesterday. When the estimates come down the hon. member will see what provision has been made in that regard.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask a supplementary question. Could the minister say whether information on this subject has been given to persons outside the house which is being denied to the house?

Mr. Green: Mr. Speaker, the hon. member for Bonavista-Twillingate really should not be so suspicious.

Mr. Speaker: The hon. member for Burnaby-Richmond.

Hon. Paul Martin (Essex East): A supplementary question. Will the minister—

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, may I ask a question of the Minister of National Defence.

Mr. Speaker: Order. The hon. member for Essex East indicates that he has a supplementary question.

Mr. Martin (Essex East): Will the minister for external affairs confirm that two countries have been told by him that assistance under the Colombo plan will be reduced this year?

Mr. Speaker: Order. What the hon. member did have was a related question, and if he asks it in its proper turn, I will now recognize the hon. member for Burnaby-Richmond.

Mr. Martin (Essex East): Mr. Speaker, on a point of order, Your Honour yesterday used the expression that related—

Some hon. Members: Order.

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

Mr. Speaker: The hon. member has raised a point of order; therefore I must hear him.

Mr. Martin (Essex East): Mr. Speaker, I think we ought to have from Your Honour a precision which, I say with due respect, in the circumstances is not apparent. Surely a question such as that which I just addressed to the Secretary of State for External Affairs, and the question which I addressed yesterday and which caused Your Honour to observe that it was a related and not a supplementary question, is a distinction which will have to be justified; because the use of supplementaries during the question period is traditionally a very cherished right of oppositions and should not be in any way abridged by Your Honour without the most careful consideration.

Mr. Speaker: I am in full agreement with what the hon. gentleman has said in his last remarks, and it is not my intention so to do. However, I think it would be quite clear that it is in the relationship between hon. members that one feels there has crept in

a sort of extra latitude in the interpretation of supplementaries as against related questions. When I say "related questions" I mean questions referring to the same topic. A true interpretation of a supplementary question is that it is one which goes to clarify a point which may not have been indicated clearly in the previous answer. I feel that is the true interpretation of a supplementary question. I quite agree that the questions which come forward in what I call the guise of supplementaries may be perfectly proper questions. However, I should prefer to term them related questions. They may be asked, and hon. members have a full right to ask them, but not to have them come in under the guise of supplementaries, as that procedure really in effect usurps the right of another hon. member to ask a question. If we try to work within these ground rules I think we shall see how it comes out.

Mr. Martin (Essex East): Speaking on a point of order, Mr. Speaker, may I point out the serious consequences of what Your Honour has just said. For four years Mr. Speaker Michener, than whom there was perhaps no better Speaker in a long time, treated supplementaries as I have indicated and not as Your Honour now proposes to treat them. What Your Honour is now doing is to destroy the practice of at least four years, if not longer, simply by making a distinction between what you call a related question and a supplementary question. With great respect I submit that Your Honour has no power to disregard the custom of this house as established by Mr. Speaker Michener.

Mr. Speaker: I will agree that I am the servant of the house. Acting in that capacity I will try to discharge my duties to the best of my ability according to interpretations which I hope are reasonable, and we shall see how we get along. I certainly do not wish to curb the right of hon. members to ask proper questions. However, the fact may be that the hon. member and I view these matters somewhat differently. Perhaps the hon. member also views them differently now than he did at other times.

[*Later:*]

Mr. Martin (Essex East): May I ask the Secretary of State for External Affairs a supplementary and related question. Will he say whether or not the government has advised at least two recipient countries under the Colombo plan of the government's intention to reduce Colombo plan assistance during the current or coming fiscal year?

[Mr. Speaker.]

Mr. Green: Mr. Speaker, the hon. member knows very well it would not be proper for me to give an answer to that question.

Mr. Martin (Essex East): I rise on a question of privilege, Mr. Speaker. The minister says it would not be proper to answer this question, when the minister has allowed information to be given to the public outside this house, yet denies it to parliament.

Mr. Green: Now, Mr. Speaker, I have a question of privilege. I made no such statement outside the house to anybody.

Mr. Pickersgill: Did your department?

NATIONAL DEFENCE

REFERENCE TO POLICY STATEMENTS BY SENIOR OFFICERS

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, again I should like to address this question to the Minister of National Defence. In view of the fact that United States air force officers at NORAD headquarters have said that Canada's non-nuclear air defence weapons would be more harmful than helpful in the event of an all-out nuclear attack on North America, and in view of the fact that Air Marshal Slemon has confirmed those views, will the minister assure the house that these statements on policy matters by senior officers will cease?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I have not been made aware of the statements to which the hon. member refers. I will study the matter and report to the house.

INQUIRY AS TO NAVAL AND AIR EXERCISES

On the orders of the day:

Mr. John R. Matheson (Leeds): I wish to direct a question to the Minister of National Defence. Is the minister in a position to advise the house as to the character of the naval and air exercises involving Canadian forces, of which there is notice in the London *Times* of October 3, 1962?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I shall take this question as notice and advise the hon. member.

COST OF PROPOSED NEW RADAR WARNING NETWORK

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to pose a question to the Associate Minister of National Defence. Will "The Oracle"—and in this case I am not referring to the

minister but rather to the kind of space age D.E.W. line consisting of 13 sites in the United States and seven in Canada as described in the *Financial Post* of September 29, 1962—be constructed as a joint project by the United States air force and the Royal Canadian Air Force? If so, what will the cost be to the Canadian taxpayer?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, this is information gathered from a newspaper article. I shall have the matter studied and will give precise information to the hon. member.

AIRPORTS

LAKEHEAD—INQUIRY AS TO PROPOSED EXPANSION

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Transport. Last Tuesday I asked the minister whether he could furnish the house with information with regard to the proposed expansion of the lakehead airport, and whether a start would be made this fall. His answer was to the effect that he would check with the department and find out. I wonder whether the minister has the information now.

Hon. Leon Balcer (Minister of Transport): Yes, Mr. Speaker. As I have advised the hon. member and his colleague from the lakehead on previous occasions, changes in the requirements in this connection have delayed the completion of plans, but the preparation of specifications for a tender call has been going forward steadily for some time now. I could not suggest the exact date we will call tenders, but we should be ready for this by late winter or early spring.

(Translation):

PUBLIC WORKS

DORCHESTER COUNTY, QUE.—CANCELLATION OF PROJECTS

On the orders of the day:

Mr. Pierre-Andre Boutin (Dorchester): Mr. Speaker, I should like to get some information today on a press report published in *Le Soleil* last August and in which Mr. Noel Drouin, ex-member for Dorchester, was asking the Prime Minister to cancel work projects for an amount of $4.5 million in the riding of Dorchester.

Would it please the Prime Minister to tell the house what projects were to be carried out in the Dorchester riding for an amount of $4.5 million?

Mr. Speaker: The hon. member's question is asking for statistical information which the Prime Minister would not have with him at this moment. I think the question should be put on the order paper and it would be answered in due course.

(Text):

PRINCE EDWARD ISLAND CAUSEWAY—INQUIRY AS TO CONSTRUCTION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wish to direct a question to the Minister of Public Works and ask him whether construction has yet begun on the Prince Edward Island causeway.

Hon. E. D. Fulton (Minister of Public Works): I am not sure, Mr. Speaker, whether the minister is supposed to answer a question the answer to which is evident, or self-evident, but if Your Honour does not rule the question out of order, the answer is no.

[Later:]

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, in view of the fact that you allowed the question by the hon. member for Bonavista-Twillingate concerning the Prince Edward Island causeway, surely my question is just as important. In fact I think it is more important. It is true that I have not sent the minister notice of it. However, I think he must know something about subjects of great magnitude like this one.

Mr. Speaker: May I say this. Notwithstanding the fact that perhaps the question asked by the hon. member for Bonavista-Twillingate slipped across and was not noticed by the Chair, if it was of the kind that I rather felt the hon. member for Cape Breton North and Victoria was asking, it too was out of order; and I do not think that two wrongs make a right. I am not going to say that all questions this morning have been right or that all have been wrong. However, a certain latitude has been allowed and I hope I have been reasonably fair in allowing that latitude. I recognize the Minister of Agriculture.

Mr. Pickersgill: I am rising on a question of privilege, Mr. Speaker, affecting the reference which Your Honour saw fit to make to me and a question I addressed to a minister, which question was allowed at the time and which is now retrospectively found by Your Honour to have been out of order. I submit that this kind of question has always been permitted in this house, as was the question by the hon. member for Cape Breton North and Victoria.

Mr. Speaker: Order.

Mr. Pickersgill: Surely I have a right to speak on a question of privilege.

Inquiries of the Ministry

Mr. Speaker: Order. The point I am making now is this. The hon. member had the floor on a question of privilege. What he was arguing was the merit of a question or a matter of order. If he has a question of privilege I am prepared to hear it. However, it must be a question of privilege which I hope he will state succinctly.

Mr. Pickersgill: I submit it is a question of privilege for any hon. member who has asked a question of a kind which has traditionally been asked in this house ever since I have been a member and, from my scrutiny, for a long time previously. When His Honour the Speaker subsequently reflects upon the hon. member who asked that question in the way in which that was done by Your Honour, I submit there is raised a question of privilege which affects not only myself but every other hon. member, and more particularly, of course, the hon. member for Cape Breton North and Victoria who, I submit with respect, was improperly prevented from asking a question of interest to two provinces and not a matter of merely local interest.

Mr. Speaker: Notwithstanding the observations of the hon. member, I do not feel the hon. member has a true question of privilege.

ASSOCIATION OF MEMBERS' NAMES WITH WORKS PROJECTS

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, my question is based on the premise that the availability of jobs is not only a matter of importance but of some urgency. I direct my question to the Minister of Public Works.

Mr. Speaker: Order. I hope the hon. member has not based his question on whether the matter he is going to inquire about is important, but on whether the information is urgently required.

Mr. Garland: Thank you, Mr. Speaker; you will see in practice that I am referring to that.

Will the Minister of Public Works confirm or deny that since becoming minister of that department he has revived the practice of associating names of Conservative members of parliament with announcements of public works projects, more particularly with respect to Central Mortgage and Housing Corporation project announcements?

Mr. Speaker: That is hardly urgently required information at the present time.

[Mr. Pickersgill.]

(Translation):

AGRICULTURE

QUEBEC—SUBSIDY ON TRANSPORTATION OF FEED GRAIN

On the orders of the day:

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to put a question to the Minister of Agriculture. Does the minister intend to grant subsidies to Quebec truckers for the transportation of feed grain such as those he authorized in the province of Ontario?

(Text):

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I am a little at a loss to understand the hon. member's reference to trucking in connection with this subject, because I have no knowledge of it. I shall look into the matter and try to give the hon. member an answer.

PUBLIC SERVICE

INQUIRY AS TO CHAIRMAN OF LABOUR RELATIONS BOARD

On the orders of the day:

Mr. Frank Howard (Skeena): I would not normally raise this as a question of privilege, Mr. Speaker, but on behalf of the members of this party I would ask that you cast your eye down this way occasionally.

Some hon. Members: Oh, oh.

Mr. Howard: We are all equal here. Now that the asininity has calmed down, perhaps I could ask my question.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. Notwithstanding certain difficulties which may be involved in the Speaker recognizing a fairly large number of members and endeavouring, according to the list here, to introduce some form of rotation among members of parties as equitably as I can, perhaps since the hon. member has made certain comments and drawn certain observations from the house I could say that I do not think it is incumbent upon him to qualify members in the terms he has. I think we should come back to business, and I will now hear the hon. member.

Mr. Howard: I agree completely with the statement you have made, Mr. Speaker.

May I ask the Minister of Labour, in view of the statement made yesterday by the Minister of Justice to the effect that one member of the restrictive trade practices commission, namely the chairman Mr. C. Rhodes Smith, will not be reappointed to that position, what will be Mr. C. Rhodes Smith's position in respect of the chairmanship of the labour relations board?

Hon. Michael Starr (Minister of Labour): That will have to be decided.

HOUSING

HAMILTON—EVICTION OF UNION MEMBERS FOR NON-PAYMENT OF RENT

On the orders of the day:

Mr. J. C. Munro (Hamilton East): I should like to direct a question to the Minister of Public Works. Is the minister aware that the united glassworkers union of Hamilton has requested Central Mortgage and Housing Corporation to grant relief from the payment of rent by certain of its strikers to the Hamilton housing authority? If so, is it the intention of Central Mortgage and Housing Corporation to force the eviction of these strikers in the event of nonpayment of rent?

Hon. E. D. Fulton (Minister of Public Works): Mr. Speaker, the Roxborough housing development referred to is a federal-provincial low rental housing project in Hamilton, the cost of which was shared 75 per cent by the federal government and 25 per cent by the province and municipality. It is managed by a local housing authority composed of local citizens who serve on a voluntary basis.

I am aware that representations have been made to the housing authority on the matter of rental payments by members of the united glassworkers union. The policy followed by housing authorities where strikes occur is not to waive rents on a wholesale basis. The circumstances of each case are considered on an individual basis. The housing authority tries to make reasonable and satisfactory arrangements so that the situation is protected.

I might add that the Hamilton housing authority has advised the partnership that the four strikers who were in arrears have now paid their rent in full and their leases have been reinstated.

(Translation):

CANADIAN NATIONAL RAILWAYS

QUEBEC CITY—ST. JOACHIM DE MONTMORENCY RESUMPTION OF SERVICE

On the orders of the day:

Mr. L. P. Antoine Belanger (Charlevoix): Mr. Speaker, I should like to ask the Minister of Transport a question. Is it the government's intention to ask the C.N.R. authorities to resume passenger service between Quebec city and St. Joachim de Montmorency? That service was discontinued following purchase of the Quebec Railways Company by the C.N.R.—

Mr. Speaker: Order. I really think the hon. member is transgressing the standing order relative to urgent matters. He may make representations to the minister, but, at this stage, I feel that only urgent matters should be raised.

[*Later:*]

PROPOSED ENTRY INTO PRINTING FIELD

On the orders of the day:

Mr. Raymond Langlois (Megantic): Mr. Speaker, I wish to direct a question to the Minister of Transport. Could he tell us, whether, as reported yesterday in *La Presse*, it is true that the C.N.R. is considering the possibility of entering the printing field?

Hon. Leon Balcer (Minister of Transport): I have heard nothing of the sort, Mr. Speaker.

(Text):

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. It is related to the question asked by the hon. member for Megantic regarding reports that the Canadian National Railways might go into the printing business. The minister's reply was that he was not aware of this. My question is, will he check his correspondence and see if he does not have copies of letters about this matter, particularly from Winnipeg, and will he interest himself in this matter so that employment in the printing industry in many parts of this country will not be interrupted?

Mr. Balcer: Mr. Speaker, I take a very keen interest in everything being done by the C.N.R. I have received tremendous correspondence on these matters and I might have received some representations to that effect. The hon. member for Megantic did send me a copy of this article, and I will certainly bring the matter to the attention of the management of the C.N.R. and follow the matter very closely.

SPANIARD'S BAY, NFLD.—INQUIRY AS TO STATION

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I should like to direct a question to the Minister of Transport which I think is urgent. Would the minister please use his good offices to see that the Canadian National Railways station at Spaniard's Bay, Newfoundland—

Inquiries of the Ministry

Mr. Speaker: Order. The hon. member is not seeking information; he is proffering information and making an exhortation.

BRITISH COLUMBIA—PROPOSED DISCONTINUANCE OF TRAIN SERVICE

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I said yesterday that I would supplement the answer I gave to the hon. member for Skeena to his question concerning the train service between Prince George and Prince Rupert. As the hon. member knows, he wrote to me regarding the reported reduction in this service, and in my answer I told him that I was referring his representations to the management of the C.N.R. I have now drawn this question to the attention of the management and shall be glad to communicate with him again as soon as I receive a report.

FITNESS AND AMATEUR SPORT

REPORTED REDUCTION IN AUTHORIZED EXPENDITURE

On the orders of the day:

Mr. A. A. Webster (Vancouver-Kingsway): I wish to direct a question to the Minister of National Health and Welfare. Will the minister inform the house whether the $5 million authorized to encourage national fitness and amateur sport has been reduced to approximately $1 million as reported and, if so, why?

Hon. J. W. Monteith (Minister of National Health and Welfare): In view of the fact that 1962-63 is the fitness program's first full year of operation, and as we are still in the process of building up this program in cooperation with the provinces, it was felt that $1 million was a more realistic estimate of the amount that would actually be spent in the current year. I have no doubt that, as the program develops, expenditures will rise.

Mr. H. W. Herridge (Kootenay West): I wish to put a supplementary question in order to clarify the answer. Does this mean that the Trail Smoke Eaters, who have been expecting a substantial grant as the result of a speech made by the Minister of Public Works in Trail during the election campaign, will not receive that grant now?

Mr. Monteith: I am not aware at the moment of any such grants having been considered, promised, or anything else.

Mr. Pickersgill: Or anything else.

[*Later:*]

Mr. Monteith: Mr. Speaker, while I am on my feet might I supplement my answer to the question raised by the hon. member for Kootenay West a few months ago by informing him that the Minister of Public Works has corresponded with my department asking that consideration be given to the request of the Trail Smoke Eaters.

[Mr. Tucker.]

Mr. Herridge: Mr. Speaker, a supplementary question to clarify the matter further. Does the minister know that the Minister of Public Works told this meeting that he was sure that the board would take the hint from the Minister of National Health and Welfare?

Mr. Speaker: Order. I feel that the supplementary question is more in the guise of proferring certain information by the hon. member more than anything else.

POST OFFICE DEPARTMENT

NORDEGG, ALBERTA—REQUEST FOR REOPENING OF OFFICE

On the order of the day:

Mr. Robert N. Thompson (Red Deer): I wish to direct a question to the Postmaster General. Has the minister or her department received representations respecting the reopening of the post office at Nordegg, Alberta, and if so what decision has been reached?

Mr. Speaker: I beg the indulgence of the hon. member for Red Deer, but that question is definitely out of order at this time.

DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO CONFERENCE ON REPATRIATION OF CONSTITUTION

On the orders of the day:

Mr. F. A. Brewin (Greenwood): Mr. Speaker, I would like to direct a question to the Prime Minister, which possibly falls within the province of the Minister of Justice. Does the government propose to call a further conference of the attorneys general of the provinces to seek the concurrence of the provinces before submitting to the house the resolution promised in the speech from the throne for the repatriation of the constitution of Canada?

Hon. Donald M. Fleming (Minister of Justice): Perhaps I might be able to answer that question. No steps have yet been taken to reconvene a conference of that type. I think the hon. member will permit me to call to his attention that with regard to the other constitutional amendment indicated in the speech from the throne, contact has already been made with the provinces and eight of them have signified their concurrence by letter.

In the case of the other two, no answer at all has been received from the premier of

Newfoundland, and with respect to the province of Quebec the premier of that province indicated that he did not expect to be in a position to answer this question until after the conclusion of the election campaign in that province, so I am not greatly encouraged by that fact in considering whether a conference of attorneys general of the provinces could usefully be called at this moment.

Mr. Speaker: The hon. member for Cape Breton North and Victoria.

Mr. Brewin: Mr. Speaker—

Mr. Speaker: Is the hon. member asking a supplementary question?

Mr. Brewin: Yes, I am. Will the minister please answer the question as to whether he contemplates calling a conference of the attorneys general before presenting a resolution to this house?

Mr. Speaker: It may be that the hon. gentleman did not feel that the reply answered his precise question, but may I point out to him that his further question is not in the nature of a supplementary. He could ask his question subsequently if he is not fully satisfied.

TRANSPORT

NORTH SYDNEY-ARGENTIA FERRY—INQUIRY AS TO PROGRESS

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): I wish to direct a question to the Minister of Transport. Can the minister advise the house what progress has been made, or is being made, on the proposed ferry service between North Sydney and Argentia.

Mr. Speaker: I am sorry, but I think the hon. member's question is in the same category as many others this morning and should be placed on the order paper.

Hon. J. W. Pickersgill (Bonavista-Twillingate): On a point of order, Mr. Speaker, the question asked by the hon. member for Cape Breton North and Victoria is an urgent matter of great importance to the people of two provinces of this country. It refers to one of the promises, made in an endeavour to get votes, by His Excellency's advisers, and surely we are entitled to ask what they are going to do about it.

Mr. Speaker: Order. Normally I do not doubt that these particular projects are of importance to the people concerned, but the same thing can be said by practically every hon. member of the house; that a bridge, park, trans-Canada highway, harbour works, post office, or major extension of a public building is of equal importance within their particular constituencies. We could spend a whole hour and a half here trying to elicit that type of information. I would submit to the hon. member for Bonavista-Twillingate, and I think he would be in agreement with me, that such questions do not come forward on orders of the day.

[*Later:*]

Mr. Pickersgill: Mr. Speaker, I should like to ask the Minister of Transport whether the government has yet reached a definite decision to establish a ferry service between North Sydney and eastern Newfoundland?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, this decision was reached some time ago.

WELLAND CANAL—INQUIRY AS TO TWINNING OF LOCKS

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Transport. In connection with the government's announced intention of early twinning of the single locks on the Welland canal, when does the government intend to proceed with this project, and has all the necessary land been purchased or acquired?

Hon. Leon Balcer (Minister of Transport): I will take this question as notice, Mr. Speaker.

HOUSE OF COMMONS

SUGGESTED IMPROPRIETY OF QUESTION ON ORDER PAPER

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I have a question for you. I think it is a question of privilege and relates to question No. 77, part 3, on the order paper. I want to draw it to the attention of the house because I believe it contains an improper assertion of opinion and states it as a fact. I ask for your ruling on it, Mr. Speaker; whether you consider this is a proper question, and should it be left on the order paper or removed.

Mr. Churchill: There is no question 77.

Mr. Fisher: The number is 73, part 3, standing in the name of the hon. member for Villeneuve (Mr. Caouette).

Mr. Speaker: At the moment my view in this regard is that the hon. member who places the question on the order paper takes the responsibility for the terminology he

has used, and that unless the terms in the question are obviously offensive—and I am not of the opinion at the moment that the term "socialist" is obviously offensive—I cannot see how the question could be deleted from the order paper.

What the answer may be I cannot foresee, but with all due respect to the hon. member I do not feel that this term is offensive to the point at which action should be taken by the house to have the question removed.

Mr. Fisher: I think, with deference, you have missed my point. I do not think there is anything wrong with the word "socialist", and I am proud to be one. What I wish to draw to Your Honour's attention is the phrasing of this question, "to remove the socialists and like-minded persons from the control of the government owned radio and television service." This is an assertion, I would argue, that these government services are under the control of people having a certain point of view. That is not in the Canadian political tradition. It is the McCarthy tradition. I do not want to argue about the truth of the assertion. I say it is an opinion, an improper opinion and not an impartial opinion.

(Translation):

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, regarding the point of order raised by the hon. member for Port Arthur—

Mr. Speaker: Order. It is the Speaker who has the floor.

(Text):

Here I might say that I would wish to reserve my opinion as to just what action could be taken to remove a question. Certainly I am not of the opinion at the moment that the Speaker could order the alteration of a question or its removal from the order paper. I shall have to take under advisement the point raised by the hon. member as to what procedure might be followed should the case arise.

(Translation):

HOUSE OF COMMONS

BILINGUAL MENU FOR PARLIAMENTARY CAFETERIA

On the orders of the day:

Mr. Bernard Dumont (Bellechasse): Mr. Speaker, I have quite an urgent question to put to the Prime Minister, since it has to do with lunch. Does the austerity program prevent the government from purchasing a board for the cafeteria, in order that the menu may be shown in French also.

An hon. Member: It has always been bilingual.

Mr. Speaker: The restaurant management comes under the joint restaurant committee, and they are the ones to whom the hon. member should submit his request.

Mr. Dumont: I have already submitted my request to the cafeteria personnel but, apparently, it was rejected because three days have now passed and no change has been made. Can anything be done about this?

Mr. Speaker: I have informed—

An hon. Member: Eat in English.

Mr. Speaker: —the hon. member that he could contact the joint restaurant committee.

(Text):

AIR TRANSPORT

CARGO IN RUSSIAN AIRCRAFT EN ROUTE TO CUBA

On the orders of the day:

Mr. James E. Walker (York Centre): I wish to direct a question to the Minister of National Defence and I bear in mind the admonition I received yesterday about the urgency of questions. Can the minister assure this house that cargo en route to Cuba in Russian aircraft for which Canada supplies courtesy R.C.A.F. crews over part of the flight do not contain material which could constitute a danger to the security of Canada and her NATO allies?

Hon. Pierre Sevigny (Associate Minister of National Defence): This question has been answered frequently. The hon. member should know that the defence department takes all necessary precautions to ensure the security of Canadian citizens.

Mr. Walker: A supplementary question. When a different version of this question was asked previously, the answer was that the Canadian government had no authority to investigate the cargoes. My question was, is the Minister of National Defence in a position to say that the material in those cargoes does not constitute a danger?

Mr. Sevigny: This is rather splitting hairs—

Some hon. Members: No.

Mr. Sevigny: My only answer is that the Department of National Defence, in the fields it has to cover, takes all necessary measures to ensure the security of Canadians.

Mr. MacEachen: May I ask the minister if he would advise the house what those necessary measures are?

COMBINES

DRUGS—INQUIRY AS TO REPORT

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Justice and ask whether he can give the house any indication about the fate of the study by the

restrictive trade practices commission relating to the manufacture, distribution and sale of drugs after October 31 of this year, when the chairman, Mr. C. Rhodes Smith, and one of the members, Mr. Whiteley, will retire from the commission.

Hon. Donald M. Fleming (Minister of Justice): I gave the hon. member a rather comprehensive answer to a similar question within the last two days and I think there is nothing I can usefully add to that answer now.

HEALTH AND WELFARE

POLIOMYELITIS—REPORTS OF EUROPEAN CONFERENCE

On the orders of the day:

Mr. J. R. Matheson (Leeds): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Has his department access to the reports of the European poliomyelitis conference which has just concluded in Prague?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I would suspect that we have, but I have not seen the reports as yet.

(Translation):

CANADIAN BROADCASTING CORPORATION

BAIE ST. PAUL, QUE.—REQUEST FOR TELEVISION SERVICE

On the orders of the day:

Mr. L. P. Antoine Belanger (Charlevoix): Mr. Speaker, I should like to ask the Secretary of State if the government intends to have the C.B.C. undertake in the near future the necessary work which would allow the people of Baie St. Paul and the surrounding region to enjoy live television service?

Mr. Speaker: There is no doubt the information sought is of great interest to the member on this side of the house, but I do not think that his question is in order at this time.

(Text):

THE CANADIAN ECONOMY

ATLANTIC PROVINCES—MEASURES TO PROVIDE EMPLOYMENT

On the orders of the day:

Mr. Malcolm MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Public Works. In view of a recent statistical report indicating that 13 of the 36 areas of Canada classified as major depressed areas are located in the Atlantic provinces, would the minister indicate what steps his department is contemplating to speed up public works in this area, thus providing needed employment opportunities?

Hon. E. D. Fulton (Minister of Public Works): Mr. Speaker, I would in reply suggest to the hon. member that he re-read the speech from the throne, where he will find, amongst other indications of aggressive government policy, the proposal to establish an Atlantic region development board.

[*Later:*]

Mr. MacInnis: As a result of the reply of the Minister of Public Works to my question I have a supplementary one which I should like to address to him now. For the clarification of the house will the minister distinguish between the Atlantic provinces development board as outlined in the throne speech and the Atlantic provinces development board as promised in the Conservative party's campaign speeches of 1957 and 1958?

Mr. Fulton: Mr. Speaker, I shall be glad now or at any appropriate time to enlighten the hon. member with regard to the constructive policy of the Conservative party or the Conservative government. However, I should imagine that Your Honour would hold that this is not an appropriate time, although my own personal view is that almost any time is an appropriate one to discuss Conservative government policy.

LABOUR REPRESENTATION AT REGIONAL EXPANSION CONFERENCES

On the orders of the day:

Mr. H. E. Gray (Essex West): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Has he invited representatives of labour to the regional industrial expansion conferences to which he referred yesterday?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, because of the fact that this conference dealt with matters primarily under the jurisdiction of heads of businesses, and because of the restriction with regard to the numbers which could be handled at a conference of this kind, those who represented industry at that conference were the heads of businesses solely. There will be considerable labour representation at each of the subsequent conferences which will be held all over the country.

NATIONAL PARKS

CAPE BRETON HIGHLANDS—INQUIRY AS TO WINTER WORKS PROGRAM

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have for the Minister of Northern Affairs and National Resources

a question which I submit to you is urgent and important. Can the minister advise the house whether there is to be a winter works program in Cape Breton Highlands national park this year in order to alleviate unemployment?

Mr. Martin (Essex East): That has already been announced.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, this is a matter for policy decision, and I shall be informing the house when the decision is made.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, October 3, consideration of the motion of Mr. Gordon Chaplin for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Pearson.

Mr. Walter L. Gordon (Davenport): Mr. Speaker, just before the house rose at six o'clock last evening—

Mr. Speaker: Order. Perhaps the hon. member might wait for half a minute, although he has the floor, in order to give the house a chance to settle down. Then we shall all be able to hear him.

Mr. Gordon: Mr. Speaker, last evening just before six o'clock I said I was not impressed with the proposals included in the throne speech for dealing with unemployment in this country. The speech had a tired and musty smell about it. It contained no new ideas. We were not given even a bare outline of the kind of long term measures that are needed to resolve our country's basic problems. In listening to it one might have thought that the government, decimated and discredited though it has been, is still complacent and content with things as they are. Well, they are the minority in this as well as in other things.

When the emergency program to deal with the exchange crisis was announced on June 24 we were told it would be replaced by long term measures of a positive, constructive nature. A month after that emergency austerity program was introduced the *Financial Post* had this to say about it:

> Ottawa, by raising interest rates and cutting down spending, particularly on construction, is demonstrating to the world its intention to revert to policies which governments considered appropriate for the difficulties of the thirties.
>
> Does this help unemployment? Of course not. If there is slower business ahead, as many signs indicate, the present policy of pushing down the brakes instead of the accelerator is clearly one which will need very prompt review.

[Mr. Muir (Cape Breton North and Victoria).]

Some people presumed that the delay in calling parliament was because the government was working out a long term program of a positive kind. Now we find this was not the case. Instead we have been informed in the throne speech that the emergency austerity program will be continued. This is bad news for Canada.

I submit, Mr. Speaker, that high tariffs, even when described as tariff surcharges, are not the answer to this country's ills. Cutting back on public works will mean more unemployment this winter. A policy of tight money—high interest rates and restrictive credit—is an abomination that already is causing hardship to many thousands of small businessmen from one end of Canada to the other. This policy also will mean more unemployment this winter than was necessary.

In the short time available to me this morning I shall confine most of my remarks to the harmful effects the tight money policy of this minority government is having and will have in the months ahead. If a complicated piece of machinery is to run well and smoothly, the engineer in charge must see that it is properly lubricated. We know what happens to our own automobiles, even when they are not stolen, if they run short of oil or even if we forget to change to a lighter oil in winter. Similarly, if the Canadian economic machine is to run well there must be an adequate supply of credit. This is the kind of lubrication the Canadian economy needs. If we have a policy of restrictive credit our economic machine will run sluggishly and its gears will grate. It is our fault or rather the fault of the government when this happens.

Despite some of the things the Minister of Trade and Commerce said yesterday, most economists seem to agree that we are at about the peak of the current business cycle, that a downturn in business can be expected some time this fall or in the early months of 1963. Therefore this is the very worst time to be pursuing a policy of tight money. Such a policy is bound to slow the rate of economic growth and to hurry on the next recession.

What we need in Canada these days is an expansionist policy and not restriction. We need ample credit and lower rates of interest. We cannot expect to have lower interest rates in Canada than in the United States. If we did there would be a further flight of capital and more devaluation. But if our rates are high in relation to rates in the United States, and if this is done in an endeavour to entice otherwise reluctant investment funds to Canada, the result in times like these when our own resources are not being used to full capacity will be inadequate economic growth and higher rates of unemployment.

A policy of tight money is, of course, much less onerous for the larger corporations which are usually well financed, and unfortunately far too many of these larger corporations are controlled by non-residents of Canada. There can be no question that a tight money policy tends to accentuate the trend under which so much of Canadian industry has been falling into foreign hands. When credit is restricted our Canadian owned companies find it difficult, if not impossible, to finance and to expand their operations. Frequently the only way out is to sell to some large foreign corporation or to its well financed Canadian subsidiary. I believe we can stop this sell-out of our natural resources and our Canadian companies. We can buy back in the years to come many of the resources and many of the Canadian companies that are now in foreign hands. We can remain an independent country if we want to, but we shall not accomplish these objectives with our present policies.

We cannot get anywhere with a policy of tight money. It is a disastrous policy for Canada. The policy of tight money that is a central part of the government's emergency austerity program is bad for Canada. It is hard on small businessmen and farmers. It will mean more unemployment this winter. It is a policy that will bring misery and unhappiness to thousands of our people. It seems to me that a vote of confidence for this government means a vote for tight money, a vote for high interest rates. I respectfully suggest that members of all parties should think carefully before they cast their votes for such a policy. I submit that a government that favours a policy of this kind should be defeated, and as soon as possible.

Mr. Speaker, in his speech on Tuesday the Prime Minister seemed to suggest that he was somehow or other against the policy put forward by the Leader of the Opposition on the grounds that it would cost too much. I wonder, Mr. Speaker, if the government does not realize that the larger part of the program put forward by the Leader of the Opposition will be self-liquidating. I wonder if the government does not realize that the cost in terms of human suffering, when thousands of people are unemployed, is something this country cannot afford.

In his speech on Tuesday the Prime Minister attempted to defend himself against the charges of political fraud. According to him the full facts of the exchange crisis were not concealed from the public; the whole thing blew up after the election. Well, Mr. Speaker, what are the facts? In the first four months of 1962 almost $600 million were poured out of the exchange fund in a desperate attempt to defend the Canadian dollar from falling below 95 cents. This failed. Then, on May 2, the then minister of finance was forced to appeal to the international monetary fund for help for the first time. The terms were stiff. Canada was forced to abandon the floating rate of exchange, something the minister had always refused to do. The rate was fixed at 92.5 cents. In financial circles there were serious doubts that this rate could be held unless we put our financial house in order.

These doubts increased when a senior member of the government announced that he and other members of the cabinet felt the rate should have been put even lower. I do not know, Mr. Speaker, whether ministers realize how sensitive the money markets are to remarks of that kind. Certainly this had a very serious effect on confidence in financial circles. In May the records of the exchange fund were juggled, despite which it became evident that further borrowings had been made from foreign banks. Then in the first two weeks of June there were widespread rumours in financial circles of an impending financial crisis. It is inconceivable, Mr. Speaker, that government officials did not know this. It is inconceivable that the minister of finance and the Prime Minister were not informed. If they were not, who was in charge of the government of Canada at that time?

The Prime Minister's defence seems to boil down to this: "please do not find the government guilty of deceit; instead let us change the charge to gross negligence and incompetence". The defence put forward by the Minister of Justice in his Toronto speech on Monday was slightly different. He seemed to imply some knowledge of the impending financial crisis prior to June 18, but apparently he did not think it was bad enough to justify the unwise course of informing the public, at least until after the election. Mr. Speaker, I find both these defences unconvincing.

(Translation):

Mr. Bernard Dumont (Bellechasse): Mr. Speaker, would the hon. member permit me to ask him a question? He referred a while ago to American lending companies. Does he believe that those companies came to Canada during the last five years or rather during the 22 years that the Liberals were in power?

(Text):

Mr. Gordon: Mr. Speaker, I was not referring to finance companies. I do not think I mentioned finance companies.

Mr. David Lewis (York South): Mr. Speaker, as one who believes in our parliamentary institution I stand in such awe of parliament that, although I made my first public speech some 35 years ago, I cannot help but feel hesitation as I begin my maiden speech in this house. But I must say immediately, sir,

that my awe was somewhat tarnished as I listened to the speeches made on leaders' day in this debate.

I listened to the Leader of the Opposition and I listened to the right hon. leader of the government, and I felt sad for my country.

I thought of the problems which beset our Canadian people, problems internal and external, problems of human insecurity at home and abroad, problems created by automation which throws men off their jobs at the same time that it promises unprecedented progress, problems arising from a changing pattern of world trade and changing patterns of political and economic power, problems concerning our national unity and the strains put on it by the times in which we live, problems touching the integrity and development of the spiritual and cultural life of Canada, threatened by the onslaught of distorted values sent over the airways by the studios to the south, problems of nuclear destruction, of peace and war, of simple human survival. I thought of all these problems, sir, and I felt desperately sad because the speeches of the leaders in this house overwhelmed and drowned those problems of life and death in a flood of irrelevant banalities and petty political prattle.

I hasten to emphasize, Mr. Speaker, that I do not suggest that with regard to human welfare my party is superior to other parties; still less do I claim any personal superiority. No one feels more keenly the immensity of the problems which face us in a world ever on the brink of disaster. What I do take the liberty of saying in this, my first speech in parliament, is that we political spokesmen and our leaders, by the way in which we attack our duties, are ourselves responsible for the cynicism and scepticism of our people about politics, and their feelings of hopeless and helpless desperation. I suggest to you, sir, this is surely the cause of the political apathy about which we all complain. It is the result of the failure of political leadership to show a sense of urgency, or even a sense of purpose, in these overpowering and perilous times.

(Translation):

It is precisely this national purpose which is lacking at this time, Mr. Speaker.

I would be remiss in not saying a few words in the tongue of my French speaking fellow citizens.

As everybody knows, Canada was founded to a great extent by two distinct nations, and our country will come to its fullest expression only if the equality of the French and English languages and cultures is recognized in fact as well as in law throughout the country. It is not always easy to reconcile the two cultures: sometimes they seem to be in conflict. In the past we were not always successful, far from it, in clearly dividing the purposes of our two main ethnical groups. That lack of success became a threat for the unity and the future of Canada.

In order to correct that situation, our party, at its founding convention, did not hesitate to proclaim its faith in co-operative federalism—the only system that can ensure the harmonious development of Canada as a whole.

With this purpose in mind, we have to seek the means of co-ordinating our economic objectives, as well as our economic resources throughout Canada, without resorting to centralization, and so as to ensure for each province, as well as for the federal government, full respect of their particular rights.

Until now, I think that governments have but rarely taken the trouble to do anything about human distress. Each time they agreed to adopt some social security legislation, they did so because of waning prestige and the realization that it was time to lull the people to sleep again because they were about to wake up.

The people which believed that its needs were being attended to at last, the people which believed in the great Conservative vision, finally realized that visions belong to the realm of dreams.

Therefore, Canadians in all parts of the country have been trying for a number of years to replace by a responsible party the old ones which have both so often and so regularly betrayed the real interests of Canada.

In considering recent developments, I come to the conclusion that no one more than the people of the province of Quebec has so desperately endeavoured to find a new solution. However, such a desperate search should not give rise to false theories or dangerous policies only because they are repeated with a stubbornness akin to demagogy.

Mr. Dupuis: Why don't you applaud?

Mr. Lewis: The useful theory is the one which claims that modern society cannot really have true economic expansion and security without state intervention, without public investments and democratic planning. To reach such an objective, we must do away with outmoded principles whose application allows the strong to become stronger and tends to make the poor poorer.

The economic planning we are proposing is the only remedy to the persistent evil of unemployment. It will give work to all Canadians and will permit everyone without any exception to enjoy the immense wealth of Canada.

(Text):

In our view, Mr. Speaker, we must have a plan and a national purpose. Much has already been said about the speech from the throne, but I suggest the most appalling thing about it is not merely that it is empty of serious policy but that it shows a smugness and complacency which is as dangerous as it is unjustified. I could respect an administration which admitted frankly that we are in trouble, which outlined frankly the steps it was taking to correct the trouble, and which challenged the opposition to show a better way. But I cannot respect an administration which insists on arguing that everything is well when it is in the very midst of an unemployment crisis, a foreign exchange crisis, an international trade crisis and an economic growth crisis. How many crises does this government have to collect around it before it will admit that things are not quite the ultimate in perfection?

In reality, all the problems and all the difficulties now facing Canada really converge upon one fact, namely that our economy has been proceeding at a snail's pace for some years. It is of course true, and the ministers have pointed this out to the house, that there have been continuing increases in the labour force and, therefore, an increasing number at work. However, this does not answer the problem; it is the cause of it. Our employment difficulties arise precisely because there is a constant increase in the labour force resulting from immigration, resulting from the natural increase in the population and resulting, above all, from the displacement of human hands by increasingly automated machines. Thus the very core of our problem lies in the fact of a growing labour force; it flows from our failure to provide work for all the eager hands looking for jobs.

Similarly, government spokesmen are able to point, and do point, to the fact, that there has been a steady increase in the value of our gross national product in real as well as in current dollars. However, the figure that is much more significant is the one that shows that our per capita gross national product in real terms was less in 1961 than it had been five or six years ago. This is the significant figure, because a nation's wealth must always be related to the number of people enjoying it, or not enjoying it, and in order for a comparison to be meaningful you must eliminate price changes in the calculation of the gross national product.

It is a fact, and no amount of defence can possibly obscure it, that even in the months of June, July and August of this year, even in the last month which was somewhat better than the first two, our unemployed represented more than 4 per cent of the current work force, and if you adjust the figure for seasonal fluctuations it was more than 6 per cent and almost 7 per cent, at an annual rate. This is serious unemployment by any definition. We accept it now with some complacency because we have become accustomed to average unemployment rates of about 7 per cent and to winter unemployment rates of 10 per cent and 11 per cent.

Our house leader has already drawn to the attention of hon. members a report prepared by a committee appointed by the United States president dealing with the question of unemployment, where they came to the conclusion that Canada had the highest rate in the western world and the United States the second highest.

A precisely similar story is told in terms of our economic growth. The 32nd annual report of the bank for international settlements gives the growth rates of a number of industrial countries; the figures are based on increases in the real product. They show that Canada trailed in 1961 with a growth rate of a measly 1.8 per cent while countries such as Germany, Italy, Norway, Sweden and Finland had growth rates of 6 per cent, 7 per cent, and 8 per cent. Countries such as Austria, France and Denmark showed growth rates of between 4 per cent and 5 per cent. The same thing was true in 1960 and in the preceding three or four years, when the increase in our real gross national product was only about 2 per cent per year. I say to you, Mr. Speaker, that these figures cry for an end to smugness and for prompt, energetic and imaginative action.

The astounding fact about all this is that despite the clear outlines of the picture, the government embarked last June, after the election, on a program which is bound to make the situation worse, as has already been pointed out by other speakers. Obviously what our economy requires now is an expansionist program to provide—and I give this as a precise target—an annual rate growth of between 5 per cent and 6 per cent in real dollars. Only in this way shall we be able to provide the 250,000 to 300,000 new jobs which we shall require each year. To do this requires easier money; it requires lower interest rates; it requires increased government investment; it requires increased useful government expenditure and increased activity on all fronts. What our economy requires, in short, if I may summarize our proposals, are:

1. An imaginative, large scale economic plan developed by the government in consultation with labour and industry and in consultation with the provinces.

2. A careful but effective direction of investment, private as well as public, into the most productive and most useful channels.

3. A massive attack on the problems thrown up by automation to provide for the retraining and reallocation of workers thrown out of work by technological progress.

4. A generous location of industry program to meet the special needs of the Atlantic provinces and similar areas, and

5. An easier monetary and fiscal policy which would provide the necessary money, credit and incentives for economic expansion.

This, and this alone, is the program which this country requires.

Mr. Martin (Essex East): That is the Liberal party's program.

Mr. Lewis: This, and this alone, is what could save Canada at this moment. An hon. member over there keeps on saying "good". If he persists, I may conclude there is something wrong with it.

Instead, the government persists in continuing a policy of tight money, of reduced expenditures, of chasing the will-o'-the-wisp of a balanced budget while keeping their political fingers crossed. I say, without too much presumption, I hope: what outdated nonsense. A first year economics student could have told them that the more they attempt to curtail expenditures for the meaningless purpose of chasing a balanced budget the more they will slow down the economy, the smaller consequently will be the revenue they collect and the greater will be their deficit. Their policy is therefore inevitably self-defeating. There will be deficits, but they will be deficits by mistake accompanied by a depressed rather than an advancing economy. But I learned long ago that there have always been men in our land who, like the Bourbons, learn nothing and forget nothing.

Demagogues and unimaginative banking interests always confuse government with personal housekeeping, and look upon government deficits as they would on their own personal debts. This, of course, is sheer, elementary nonsense which is exploited demagogically in the jargon of Social Credit and preached puritanically by the high priests of finance who, like so many others, do not themselves practise what they preach. The fact is that planned deficit financing is as essential as it is indispensable in lifting a declining economy to new heights, and in starting a stagnant economy moving. Let me not attempt any theoretical analysis of this statement; let me simply point to some current historical facts.

All of us have been for some years astounded at the economic progress made in various countries in western Europe. We have had reports about their rate of growth, surprising figures, particularly when we remember that many of these countries had their industries and their economies seriously damaged in the last war and had to rebuild them from scratch, although, of course, with a great deal of assistance, from the United States in particular.

What has been the budgetary situation in these western European countries? France had budget deficits every single year throughout the 1950's; Britain had deficits every year from 1951 to 1961; West Germany had budget deficits in four of the last five years; Italy, from 1950 through 1961 except for one year; Sweden, every year since 1950 except one; Austria throughout the 1950's. The difference between their deficits and ours is that their deficits were planned deficits, deliberately incurred as part of an expansionist economic policy. The result, instead of being ruin, has been a rapid rate of growth, a steady and rapid increase in wages and living standards, and full employment in most of the countries I have named. In fact some of them have actually had a labour shortage, something that Canada has not experienced since the end of the last war.

In short, striving for a balanced budget is sheer madness at a time of heavy unemployment when machinery and plants are standing idle and when our economic growth is almost stationary. Surely it must be obvious that more and not less production is what this country needs at the present time. But the disease has spread. I have noticed in recent speeches by spokesmen for the Liberal party that they too say their goal is a balanced budget. I urge this house to reject this outmoded and harmful proposition at this time.

Thus it is clear that we cannot have much use for the present government. Nor do we. In our view it has persistently shown itself to be incompetent, inefficient, indecisive and fumbling. But let me make clear that we in this corner have equally no use for the Liberal opposition. In our view it has proven itself since its defeat in 1957 to be completely unrepentant. Just before that defeat it had sold an important public utility to American interests and ignored the rights of parliament. There has not been a single suggestion of repentance or of turning away from the arrogance which that party then showed.

We have seen in the last few years, also, that the Liberals have revealed themselves to be thoroughly unreliable. I listened to the leader of the official opposition and to the hon. member for Davenport, who preceded me, refer ecstatically to the need for a health plan

in Canada. The struggle for a health plan in Canada has been carried on by the C.C.F.-New Democratic government in Saskatchewan, and by it alone. It has won that battle in Saskatchewan despite the most cowardly and vicious opposition of the Liberal party, led by Ross Thatcher and supported by one member of this house who sits very close to the hon. member for Davenport.

I remind this house also, Mr. Speaker, of the health program which the Liberal party duly unfolded during the last election campaign. I called it during that campaign, as I call it now, a thorough-going sham and a shameful surrender to vested medical interests. Because what does that health plan offer? It offers free health services for the aged, the pensioners. If I remember the words correctly, and I am sure I do, the plan said they were for some of the aged. It never explained what the word "some" meant. I have always assumed that it meant some kind of means test. It also offers free medical services to young people under the age of 16. The rest of the community between 16 years of age and the old age pensioners, if I remember the words correctly, are to pay substantially less than half of the cost of the medical services; presumably the government would pay substantially more than half. For the worker who earns $3,000 or $4,000 a year, whose family may be the victim of serious illness and who has to pay a medical bill of $1,500 or $2,000, will he really be helped by this program when he is called upon to pay half of that cost?

For these reasons, Mr. Speaker, we are driven to the conclusion that the indecent hunger for power shown by the Liberal party in its announcement of a no confidence motion, even before parliament met, was and is thoroughly irresponsible. Indeed, I say to you, Mr. Speaker, that if one was unhappy at the barrenness of the throne speech, one was equally unhappy at the absence of any positive proposals in the speech of the leader of the official opposition. In a speech of more than three hours—some of us timed him—he spent some 18 minutes on positive proposals.

Mr. Hellyer: Get on with your positive proposals; you have not much time left.

Mr. Lewis: I did not hear the remark of the hon. member, but perhaps it is just as well. Before one o'clock is reached, Mr. Speaker, I want to inform you that it is my intention to move, and I now so move, seconded by the hon. member for Comox-Alberni (Mr. Barnett) an amendment to the amendment before the house. I move:

That the amendment be amended by inserting therein immediately after the word "advisers" the words "having failed to propose a program of economic planning, designed to bring about economic growth and full employment".

The amendment as thus amended would read as follows:

We respectfully affirm to Your Excellency that Your Excellency's advisers, having failed to propose a program of economic planning, designed to bring about economic growth and full employment, do not possess the confidence of this house.

Mr. Speaker, I have said many times in the past few months, and I say again today, to the hon. members of the Liberal party that, when one listens to them speaking nowadays one would think they had been out of office 50 years instead of only five years. I say to you that there is hardly a policy in Canada, either domestic or foreign, pursued by the present government the origin of which is not to be found in the actions of preceding Liberal governments.

Indeed, sir, our present economic and financial difficulties were really born, as I am sure every student of economic history will attest, in the womb of the unregulated and unplanned investment boom of 1955-1957. That boom, unplanned and unregulated, created a situation of tight money at that time. High interest rates, let me remind the leader of the official opposition, are not the creation of the Conservatives. Indeed, high interest rates were created by the government of which he was a member—I know of many electors in Canada who in 1957 voted for the Conservatives—I was not then myself a candidate—precisely because they blamed the Liberals for unemployment or lack of business caused by high interest rates.

Mr. Starr: And tight money.

Mr. Lewis: Yes, that is true. The unplanned boom of those years created a condition where a recession was bound to result, as anyone who followed economic development could have foretold. Much of our production was concentrated on consumer durables which glutted the market. Huge inventories were piled up across the country. The usual cyclical recession was as inevitable as night follows day. It is true that the present government compounded the mistakes made by its predecessors, but I say in all earnestness, Mr. Speaker, that the brave Liberal speeches of today stand in distressing contrast to their dismal acts of yesterday.

Mr. Speaker, since I have reached the end of a thought perhaps I may call it one o'clock?

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Lewis: Mr. Speaker, when we adjourned I was referring to the fact that the unplanned boom of 1955, 1956, and 1957 was bound to

be followed by a recession. There was one other thing that happened in those two or three years, and that was that the price of the Canadian dollar went up. For some years our currency was at a premium, with disastrous consequences on our exports. Then finally, as every member of the house and students out of it know, some 18 months ago the government started manipulating the dollar in order to bring its price down; and the more it manipulated, the more it became possible for the speculators to step in and a period of crisis was reached last spring.

I wish to say that the devaluation of the dollar was probably necessary and unavoidable in all the surrounding circumstances. However, in my view there is everything wrong with pegging the rate of the dollar. The most objectionable feature of the pegged or fixed exchange rate is, of course, the fact that the government is forced to pursue a restrictionist domestic policy for the sole purpose of hanging on to a rate; and even that, of course, is becoming increasingly more difficult.

Again I do not wish to go into any theoretical exposition. That is not to say that I understand all about it, but I think I do understand something about it. However, it will be sufficient for me to remind hon. members that the fixed exchange rate today is very much like the old gold standard used to be. Precisely as it was necessary for the countries around the world to get rid of the gold standard because it was restrictive and cribbed and confined them, so it is necessary for Canada today to get rid of the fixed exchange rate. Therefore, to the outline of policies I suggested earlier I add this one, that we must free our exchange rate so that it may itself find the best rate consonant with economic growth and full employment.

A part of the program, of course, must always be concerned with the expansion of our exports; because basically that is the best way in which to meet any of balance of payments and imbalance of trade problems. I have neither the time nor is it for me in our group to deal in detail with the export problem. However, I wish to indicate, as I am about to conclude, some lines I believe Canada should follow. First, I remind the house that there are almost limitless and promising markets in Africa and in Asia, in the new, developing nations of the world. If we had the imagination necessary we would take advantage of those markets through the extension of credits at minimum interest rates for long periods of time. We must apply our minds and our imaginations to the instrument of export subsidies, particularly in the case of our secondary manufacturing industries. We should also apply a great deal of energy and some considerable funds to research work in order to see whether we cannot find new goods that Canada could produce; I refer to goods which because of their quality production or for some other reason would be suitable to produce for a small market like Canada and would be capable of being sold outside of Canada because of their uniqueness.

Finally, and most important of all, Mr. Speaker, we ought immediately, without any loss of time, start planning for negotiations with the United Kingdom, the United States, the European common market and other members of the commonwealth looking toward free trade between the continents concerned in order to start an expansion of our exports.

All of these things—and this is the basic point of the proposition I have been trying to put to the house, Mr. Speaker—must be part of one co-ordinated and integrated plan. They must be part of one co-ordinated and integrated attack on all our economic problems. Without such co-ordination, one step can easily negative the other. For this reason planning is the essential ingredient of an effective policy.

As the hon. member for Kootenay West, our parliamentary leader, said the other day, "planning" used to be regarded as a disreputable word, a disreputable idea, but now it has become a popular one. In fact it has become so popular that the government and the official opposition vie with each other as to which one of them made a planning proposal first, forgetting to look at history and see where these planning ideas really came from. However, that consideration is unimportant. What is important is that all over the world and in every part of the world economic and social planning has become an idea which people grasp as essential to our modern complex and interdependent society. Reference has already been made in this house to the report of a mission from the national productivity council to six countries in Europe. According to the report, the members came back convinced of the necessity of planning here at home.

I say that only those blinded by outworn prejudices and those who glory in ignorance can any longer suggest that a modern economy can proceed healthily without active and direct intervention, investment and leadership by the government.

I suggest to you, Mr. Speaker, that we in the west have very little time to lose. As we sit here debating, crucial events are taking place all across the world. Things have happened in recent days on this continent which make or should make all of us sick at heart, particularly the fact that young students at a

university should act so viciously and should express and show such contempt for the basic moral principles of human dignity and human equality. Events are taking place in Europe, in Africa, in Asia, in America which affect the very future of humanity itself. I suggest to you that so far the battle between communist totalitarianism and our western democracies has not gone entirely well for us. I furthermore suggest to you that the reason it has not gone entirely well for us is that we are too frequently bound and governed by outworn ideas, by inadequate institutions, by agglomerations of greedy power and by outdated policies.

I say to this house, Mr. Speaker, that we must free our western world of these shackles. We must throw them out and we must make democracy a dynamic weapon in the war against poverty, prejudice and ignorance. We must fearlessly and quickly respond to the needs of our own nation and to the anxious demands of a world in revolt against oppression of man by man. Our country, sir, must play a part in this; it should play an important part.

This, as I see it, is the challenge. In my first speech to parliament I hope and pray that we shall have the wisdom and the courage to meet that challenge before it is too late.

(Translation):

Mr. Speaker: Order. I regret very much to tell the hon. members who should like to put questions to the hon. member who just finished his speech that they cannot do so because his time expired at the same time he concluded his speech.

(Text):

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I should like to join others who have participated in this debate in extending my congratulations to the mover and the seconder of the address in reply to the speech from the throne. May I say they acquitted themselves nobly, in my judgment, as I am sure all hon. members will agree, and we wish them well in their parliamentary life.

I should like to say a few words about the subamendment. When hon. gentlemen to the right of me talk about economic planning or planning of any sort they are talking about planning in the socialistic sense of the word, an entirely different planning from what a free democracy believes in. Planning in a socialistic sense, Mr. Speaker, means regimentation and nothing else. Whether you call it rotation or regimentation or anything that you want, it means that the government tells you what to do and you do it or else.

An hon. Member: Nonsense.

Mr. Starr: When they talk about planning which will affect the operations of industry and labour all over this country they are surely not talking about plans which they will not have the power to enforce. I simply bring this matter to the attention of the house at this time, Mr. Speaker, and especially to the attention of hon. gentlemen opposite who applauded so vociferously earlier today when the subamendment was introduced, so they will know exactly what it was they were applauding.

I should like to dwell for a few moments on something that has been noticed by me and the people of this country since 1957, namely that the prime objective of the Liberal party in this house has been to destroy the Prime Minister in order to get back into power. This they cannot deny.

Mr. Chevrier: Nonsense.

Mr. Starr: It has been evident right through the last five years that in order to attain office again their main objective has been to destroy the image of this great man who has done more in the space of time he has been Prime Minister than any other prime minister in the history of this country. These attacks have not diminished. Regardless of the state of the economy and the damage that might be done to the economy and to the Prime Minister himself, as long as they can get back into office they will employ every tactic that can possibly be employed.

With regard to the foreign exchange situation, they say that the Prime Minister has deceived the people of Canada and has committed a fraud.

Mr. Pickersgill: So he has.

Mr. Starr: The Prime Minister set the record straight in this respect when he spoke the other day. Today the hon. member for Davenport got to his feet and we have been reading his books, we who have looked upon him as the economic planner of the Liberal party, expected something more than he gave us today. His purpose in making his maiden speech today was to try to offset the true facts that the Prime Minister set before the House of Commons and the people of Canada the other day. These tactics, these attacks, these charges of deceit and fraud and of undermining the Canadian economy, are the most degrading in the political life of the Liberal party in recent years, and have never before been experienced in the history of this house.

What is the position of the Liberal party at the present time? The Leader of the Opposition, after spending three and a half

hours on his feet, only put forward two rotten old planks out of their platform. He resurrected a national health plan, something they have been promising the people of the country since 1919 without ever intending to bring it about. They do not intend to bring it about now. We have set up a royal commission to review the pros and cons of such a plan, and to do it in a democratic way.

Mr. Martin (Essex East): Postponement of decision.

Mr. Starr: Then they bring in a new one that they have stolen from the Social Credit party. As an afterthought they are going to extend the payment of family allowances from age 16 to age 21. That is the whole essence of their platform. The Leader of the Opposition had a duty as leader to expound their whole platform in the three and a half hours he spoke, not leave it to some backbencher to do it. We have not heard anything yet, because the hon. member for Davenport had an opportunity and he did not reveal anything new that this government is not doing now and has not been doing for a number of years.

Now, Mr. Speaker, I was surprised at the speech made by the hon. member for Davenport, because for some years, as I mentioned earlier, his economic thinking and policies have been before the people of this country, first in the report of the royal commission on Canada's economic prospects and more recently in the speeches he made during the election campaign, as well as in a newer and perhaps more authoritative work entitled "Troubled Canada". I have a copy of this book and I note that it is tastefully bound in black which, in my opinion, conveys the type of thinking in the Liberal party.

I understand also that this book is based upon second thoughts following the earlier work he has done. It is called "Troubled Canada". In my view a more appropriate title might be "Troubled Liberals". It is my purpose at this time to deal with the opinions expressed in that work, some of which seem to be of a political rather than an economic nature. Nevertheless, it is interesting to note that in the chapter devoted to what the author calls a positive program for expansion, one of the major items in that positive program is increased capital expenditures in the public sector.

In 1956 the total federal government expenditure came to $5,034 million or 16.5 per cent of the gross national product. In the first quarter of 1962 the total was $7,476 million, seasonally adjusted to an annual rate of 19.4 per cent of the gross national product. The hon. member for York South in his speech this morning stated that there has been a decrease in the gross national product per capita since 1957. The actual fact is—and I am surprised that these people get up and say these things that cannot be substantiated—that it has increased by $65 per capita. In 1957 it was $1,913 per capita and in the second quarter of 1962 it was $1,978.

An hon. Member: In real dollars?

Mr. Starr: In real dollars.

Mr. Martin (Essex East): It is not in real dollars.

Mr. Starr: I have only half an hour. I welcome interjections if hon. members will allow me extra time in order that I might continue and complete what I have to say. If that is agreed upon I shall be glad to entertain any interjections or questions.

This certainly indicates an increase in the level of capital expenditures by the federal government which the hon. member, in this book, calls a major step toward relieving unemployment. He suggests this is the way social capital is also brought about, as though this were something new. This government has been more active than any government in history in the field of housing, slum clearance, urban renewal, aid to municipalities, sewage disposal, building schools, aid to universities and so on. They look at the throne speech and say there is nothing in it. There is everything in it that they had in their platform, and that is why they have only two rotten planks left now.

We have had massive expenditures on a scale never before undertaken in this field. This is part of the reason for the deficits we have incurred. I notice also that the hon. member for Davenport is not suggesting we cut down on these expenditures. He is suggesting new ones. Let me tell him that we will get around to those in time, as we have been doing right along.

In this great book, "Troubled Canada", in which he corrects many of the thoughts he expressed in his original work, he talks about providing 100,000 new jobs through municipal winter works. We have been doing this for four years, Mr. Speaker. I say to him that when he made the statement that it was necessary to provide 100,000 jobs, he was being a piker. Last winter we provided jobs for 150,000 Canadians in that one winter alone. Since this program was inaugurated more than $800 million has been spent on municipal works, and some 360,000 jobs have been provided for Canadians.

In this book "Troubled Canada" he talks about stimulating industry. Those who listened to my colleague the Minister of Trade and

Commerce when he spoke in this house yesterday will realize that here again this government has led the way. It is also interesting to note what the hon. member for Davenport said in this book about deficit financing. He said:

> Deficits are justifiable and may be necessary in periods of heavy unemployment and recession. But positive measures should be taken to overcome such conditions as quickly as possible and when this has been done, budgets should be balanced. Not to do this would be an invitation to inflation which no responsible government could contemplate.

This is exactly what we are doing, Mr. Speaker, but it is in contrast to what he said today. He will have to write another book now. There is another interesting paragraph in this book "Troubled Canada" which I should like to quote:

> Some idea of the magnitude of the problem is given by the fact that over the past decade, employment has increased on the average by about 100,000 per year or just about one half the number for whom jobs must be found in each of the next five years.

The decade he was talking about, Mr. Speaker, when employment increased by only 100,000 jobs per year, must have been the golden decade about which the Liberals are always talking and to which the leader of the official opposition referred so feelingly when he spoke. Let me inform you, Mr. Speaker, and the members of this house that at the moment, as a result of policies brought about by this government, we have doubled that rate of expansion in the creation of new jobs. Currently we are producing 200,000 new jobs annually. This is what they say they are going to do when they get into office. We are doing this now; it is happening now, not two or three years from now. This rate of expansion will be further increased by the measures forecast in the throne speech and to be brought before this parliament at this session.

The speech from the throne placed before parliament a series of measures having as their objective the promotion of this country's economic growth and the creation of new employment for Canadians. This is what we are all after. These are the steps we are taking to bring this about, to accelerate our present efforts. The measures are complementary to the measures already brought forward in a previous parliament and which have been effective to the extent that employment in 1962 has been, on the average, consistently higher than in both 1960 and 1961.

Mr. Martin (Essex East): What about unemployment?

Mr. Starr: At the same time the gross national product, the measure of economic growth, is currently running at better than 8 per cent above last year; and it, as the hon. member for Davenport will agree, is a very important measure of economic growth. We used to hear a lot about it from the Leader of the Opposition, but since it has increased to 8 per cent over last year we do not hear so much about it.

On page 327 of the very interesting report of the royal commission on Canada's economic prospects, prepared under the authority of the hon. member for Davenport, we find forecast a gross national product in the neighbourhood of $39.5 billion for 1965. It is now running at $39.4 billion, not in 1965 but in the second quarter of 1962.

I have only half an hour in which to speak. I asked for permission to speak longer, but the opposition would not grant it. We are three years ahead of this forecast as a result of the measures taken by the government in what the Leader of the Opposition calls "the wasted years". He must be thinking of the years when he was in office. I would also point out that consumer expenditure is running at about $25.4 billion compared with $14.3 billion in 1955, and that personal income in the second quarter of 1962 reached the figure of $30.4 million.

Let us now look at employment. Since the first quarter of 1961 employment has been rising both steadily and sharply. A record 6,049,000 persons were employed last year, and there has been a further substantial improvement this year. Total employment in 1961 averaged 94,000 higher than in 1960, and in the first eight months of 1962 employment was 197,000 higher, on the average, than in the corresponding period of 1961.

During the summer months some 268,000 young people entered the labour market, a record number for this time of year. Never before did such a large number come on the market but, in spite of this, total unemployment in August was estimated at 280,000, some 43,000 lower than a year earlier.

Mr. Martin (Essex East): Still too high.

Mr. Starr: Virtually all the drop was among unemployed men. As hon. members who have read the dominion bureau of statistics report know, the unemployment rate in August was 4.1 per cent compared with 4.8 per cent a year earlier; but encouraging as this improvement is, none of us will be satisfied until unemployed men. As hon. members who have possible level.

There has been some discussion as to what constitutes full employment in the economy, and once again I would like to refer to the report published under the chairmanship of the hon. member for Davenport. This is what that report states:

> In a free and dynamic economy in which people are entitled to change their occupations as they

choose and to move from place to place and in which there are continually changing products, methods and consumer demands, there will always be those who are out of work at any given time. This cannot be avoided.

It helps to keep the economy flexible and it enables people to seek better opportunities in other occupations or in different places. This we shall refer to as "frictional unemployment".

If there were no "frictional unemployment", if 100 per cent of the working force were fully occupied all the time, which of course is theoretical and not a practical proposition, the inflationary pressures which would be created would be uncontrollable . . .

It goes on to say:

Many people will think that we shall continue to be threatened with serious inflation if on the average only 3 per cent of the total working force are frictionally unemployed; especially so as this average figure includes "seasonal unemployment", which because of our climate is bound to be higher in Canada than in some other countries. It is possible that such fears may be justified.

Professor Neil H. Jacoby, a former member of President Eisenhower's council of economic advisers, has stated that the consensus of American economists is that the United States economy has full employment in a practical sense when 96 per cent of the working force has jobs and about 4 per cent are in process of changing jobs. (Many believe that the ratios are closer to 95 per cent and 5 per cent.)

I bring this to the attention of hon. members and, as I say, it was written under the chairmanship of the hon. member for Davenport.

Farm employment was lower by 107,000 since 1957, continuing a trend which has been in evidence for the whole post-war period. The government is giving serious attention to this long term situation. My colleague the Minister of Agriculture will be dealing with this matter but I would point out, as announced in the speech from the throne, that steps are being taken to work out and establish a program for agricultural training right across Canada, with the co-operation of the provinces, and a meeting will be held for this purpose on October 17.

Employment in the service industries has continued to increase. In those industries employment averaged 428,000 higher than five years earlier. I stress that this is an average, and not the high point. These significant improvements in the unemployment picture come at a time when general output is up to a greater degree than at any time in the past five years.

What is the situation on a regional basis? This is an interesting question. Although in August unemployment for Canada as a whole was 4.1 per cent of the labour force, the rate in the prairie and Ontario regions was considerably lower. The rate for the month of August in the prairies showed unemployment as 1.8 per cent of the labour force.

Some hon. Members: Hear, hear.

[Mr. Starr.]

Mr. Starr: This means that in the three prairie provinces there was only 1.8 per cent of the labour force out of work and seeking work. In Ontario, which contains a third of the population of the country and is a highly industrialized province, the percentage of the labour force unemployed was 3.6 per cent. In the maritimes the rate stood highest at 6.4 per cent.

Mr. Martin (Essex East): And 14 per cent in winter.

Mr. Starr: In Quebec it was 5.1 per cent and in British Columbia 5 per cent. I am bringing these figures to the attention of the house because many people do not bother to learn the facts.

Mr. Martin (Essex East): What was the rate last winter? That is the point.

Mr. Starr: References have been made by a number of speakers, including the Leader of the Opposition, to a report by the committee to appraise employment and unemployment statistics, which was appointed by President Kennedy; and attention has been drawn to the fact that, according to estimates prepared by this committee, Canada's average rate of unemployment in 1960 was the highest of any industrial nation. Among the countries referred to were France, Italy, West Germany, Sweden and Japan. I would simply point out that the average wage in those countries leaves a great deal to be desired by comparison with Canadian standards. Having heard the hon. members to my right say this was the kind of economy we should have in Canada—

An hon. Member: Hear, hear.

Mr. Starr: You see, they agree. Let me point out that the average wage in Canada was $1.78 per hour at that time. In West Germany it was 63 cents an hour; in France, 44 cents; in Sweden, $1.03; and in Japan, 31 cents. Is this how the opposition want us to obtain full employment in Canada? Is it on those terms? That is what they have been applauding.

Finally I wish to remind the house that the report of the Senate committee on manpower says, among other things, that with the possible exception of the United States, unemployment statistics published by countries abroad do not lend themselves to comparison with our own because they have been compiled on a different basis using a different yardstick of measurement.

As hon. members are aware, the speech from the throne foreshadows legislation to deal with the result of technical changes in industry. It has been said by opposition speakers that there is nothing in the speech

from the throne, but surely even the socialist members must agree that something has to be done for those workers who are being displaced by reason of changes due to automation. This is the first effort of any government in the world to do anything about this problem, yet our opponents say there is nothing in the speech from the throne. They talk about the need for a training program. Well that, of course, is our program. It is because we have recognized the need for technical education in this country that we are building 400 new schools and additions to other schools in this country. They have lost sight of the fact that we are spending $267 million as a federal contribution to those schools in order that technical education may be given to over 130,000 old and young Canadians. They say we are not doing anything about it—

Mr. Martin (Essex East): Only because we prodded you into it.

Mr. Starr: There was nothing left for them to do in this field. That is why they took the plank out of the platform.

In closing may I say we have been listening to forecasts of doom and gloom for five years. Owing to the measures taken by this government, the forecasts have not been realized. I suppose people would wonder if members of the opposition did not criticize the proposals contained in the speech from the throne because, after all, they are the opposition. They would not recognize anything good in it even though it might be loaded. However, regardless of what hon. members opposite and to my right may say about them, the measures outlined in that speech make those gloomy forecasts even less likely of realization. Let us, then, declare a moratorium on disaster, and for the rest of this parliament address ourselves to the people's business in a positive and constructive way.

Mr. Martin (Essex East): May I address a question to the minister, as he suggested we might at the end of his very interesting speech?

Mr. Speaker: I regret that as in the case of the hon. member for York South, the minister and the clock finished in a dead heat as far as the time allotment is concerned, and unless the house were to give its unanimous consent to an extension of time to the minister I am afraid we cannot hear the question which the hon. member seeks to put.

Some hon. Members: Agreed.

An hon. Member: Next speaker.

(Translation):

Mr. Martin (Essex East): I tried at least.

Mr. Vincent Drouin (Argenteuil-Deux-Montagnes): Mr. Speaker, allow me first to congratulate you for the confidence hon. members have shown you in asking you to preside over their proceedings.

I also congratulate the member who just took the chair in your place and who, in spite of his youth, was entrusted with the high office of Acting Speaker.

May I also be permitted to commend the mover (Mr. Chaplin) and the seconder (Mr. Vincent) of the address in reply to the speech from the throne. They deserve our admiration for having succeeded in delivering very interesting speeches, while taking their inspiration in a speech from the throne as laconic as the one we heard last Thursday.

The Prime Minister (Mr. Diefenbaker) blamed the Leader of the Opposition (Mr. Pearson) for not having taken the opportunity offered to him last Monday to speak on agriculture. If it is true he did not speak about it, it is not because the opposition takes no interest in agriculture. Quite the contrary.

As a matter of fact, Mr. Speaker, just a glance at the Liberal program will show that agriculture is one of the main concerns of the Liberal party.

If the chief of the Liberal party did not deal himself with that question, it is because he can rely on the members of his party and is confident that even his younger associates can be entrusted to deal, in this house, with a matter as important as agriculture. I wish to thank him for his faith in me. It is a great honour that is reflected on all the people, mostly farmers, of the beautiful riding of Argenteuil-Deux-Montagnes, and my constituents will be all the more grateful for this show of confidence since they have been represented in the past by a Conservative member and a silent one at that, like many others.

Yesterday the house heard an impressive speech on farming conditions in western Canada from the member for Assiniboia (Mr. Argue). As for me, I shall endeavour to set forth some of the problems facing our eastern farmers. I shall point out the unconcern of the present government as regards any farming policy, and then I shall mention the solutions, or at least some of the solutions advocated by the Liberal party to meet those problems.

The government will no doubt realize that some of those solutions were already part of our previous programs, but whatever the Minister of Labour (Mr. Starr) may think, we will not give them up until they have been incorporated in enactments of this house,

which will come about much sooner than the minister may wish.

Mr. Speaker, mine is a constituency which has deeply suffered from the government's unconcern since 1957 as regards agricultural policy. Most farmers back home are dairy producers, and they are facing an unprecedented crisis.

They must invest large amounts of money, first of all to acquire a piece of land, and the equipment they need for the operation of their farms, and to buy the herds which they must improve constantly. Installing adequate cold plants is extremely costly, and today, in order to conform to the requirements of the companies which control milk distribution, they must replace all their former equipment with refrigerated storage facilities referred to as "bulk tanks".

Mr. Speaker, what is in store for the dairy producers as regards marketing?

Our farmers lie at the mercy of the trust shamefully constituted to exploit them to the fullest.

As a matter of fact, the farmers from the economical area of Montreal cannot reach the consumers' market of the metropolis without going through some big dairies, which subject our dairy producers to a sort of unilateral contract called "quota". I say it is a unilateral contract for, according to this agreement, the commitments lie only on the dairy producer's side. He undertakes to supply regularly a certain quantity of first class milk without any interruption or decline, the year round.

On the other hand, the dairy can accept whatever quantity of milk it deems convenient and send the surplus to skimming stations where the producer is paid at the most $2 per hundredweight for milk of the same quality as that which is being sold for whole milk consumption and for which the producer is paid about $5 per hundredweight. This milk is then resold to the consumer at more than $10 per hundredweight, without taking into account the watering down operation to which the dairies—and, as you can imagine, with great pleasure—submit our milk.

You may argue, Mr. Speaker, that the farmer should simply adjust his production in relation to the whole milk consumption market. But, mind you, it is not all that simple. If the farmer who produces daily 20 milk-churns, half of which goes to the powder milk processing, decides to bring down his quota to 10 churns a day, he will simply see 5 churns accepted as good milk and 5 continue to be sent to the skimming station.

It is obvious that the dairies value the skimming stations, and I do not believe that this is without interest.

It is therefore of pressing necessity that the government inquires into this trust and that it takes the required steps to put an end to this shameful exploitation of our dairy producers.

Mr. Bourbonnais: Ask that of Mr. Lemoyne.

Mr. Drouin: Mr. Speaker, I do not wish to be interrupted. Like my hon. friends opposite, I only have half an hour at my disposal to deal with such an important subject.

An hon. Member: In any case, we are not interested.

Mr. Pigeon: The problem comes under the province of Quebec, the "Commission de l'industrie laitière".

Mr. Speaker: Order.

An hon. Member: Sit down.

(Text):

Mr. Speaker: I think I would be right in saying that this is the hon. member's maiden address in this house, and I hope all hon. members will extend the traditional courtesy and let him proceed uninterrupted.

(Translation):

Mr. Drouin: Thank you, Mr. Speaker.

The federation of dairy farmers was justified in raising cries of alarm during its convention held in Montreal in January 1962.

The hon. member for Joliette-L'Assomption-Montcalm will get an answer to his inquiry—even though I will not oblige him voluntarily—through an editorial published in the January 24, 1962 issue of *Terre de Chez Nous* which reads as follows:

> Dairy farming is in a state of stagnation. It is even faced with disaster.

A little further on, when the writer allots responsibilities, this is what he has to say about the federal government's responsibility:

> What is to be expected from the government in Ottawa? A contribution equal at least to its share of responsibility in the matter. And this share is quite important. Ottawa is to be blamed mostly for its inaction. The federal government must have a very guilty conscience for having shown such neglect in that connection.

And I go on quoting another passage from this editorial:

> Around 1957, when the consumer used to pay a somewhat more reasonable price than today for his butter, the consumption kept up and it was even necessary to contemplate the need for a certain importation following a decrease in production. Ottawa should have remembered that lesson. They did not. Afterwards dairy policies were adopted according to their electoral advantages rather than with a view to the future of that important industry.

That is what *Terre de Chez Nous*, the medium of expression of eastern farmers, states concerning the policy of the government in Ottawa.

An hon. Member: Shame, shame.

Mr. Drouin: The Minister of Agriculture (Mr. Hamilton), whose absence I notice, will tell us that he has since settled the problem of agriculture.

I am not jealous of the advantages western farmers may have received; quite the contrary, I am sincerely pleased with them.

However, the farmers in my riding, like all those of eastern Canada, are now facing the most serious of crises, one which they will not come through without the federal government's assistance.

I am ready to concede that ignorance, rather than ill will, is the reason why the minister will not consider our farmers' problems. In fact, one should not be too surprised at the government's unconcern when one realizes that it put the fate of agriculture into the hands of a colonel who dreamt of Bomarcs and then into that of a professor who seems much more interested in the dollar devaluation than in the devaluation of agriculture.

Mr. Speaker, it is time our eastern farmers had someone to represent them and look after their interests in the cabinet.

We, the Liberals, are conscious of this need and intend to appoint a minister of agriculture for eastern Canada, as soon as the next Liberal government is formed—which should not take long, despite the shameful about-turn of our Social Credit friends who this evening will no doubt vote with the government—

An hon. Member: More election promises.

Another hon. Member: It will not be long.

An hon. Member: The same old refrain.

Mr. Drouin: The hon. member for Nicolet-Yamaska pointed out last Friday that the 12 cents subsidy per pound of butter would permit the disposal of butter surpluses by bringing about a 20 per cent increase in consumption.

Well, supposing the hon. member is right, the consumption of butter per person in Canada would still be below what it was under the Liberal administration.

I shall refer to a report published by the economics division of the Department of Agriculture of Canada. Our friends opposite could not repudiate a publication of their Minister of Agriculture. It is, "Agricultural conditions in Canada", January 1962 issue, to which I have added recent statistics obtained from the department.

For instance, during the period 1951-57, we see there that the consumption of butter per head has never been less than 19 pounds. On the other hand, margarine consumption per head has never been in excess of 7.8 pounds per head. Yet, when our friends opposite took over, margarine consumption increased rapidly while butter consumption decreased in proportion.

An hon. Member: Shame.

Mr. Drouin: And I shall give you some figures to prove it: 1957, consumption per head, 19.4 pounds; 1958, 18.3 pounds; 1959, 17.4 pounds; 1960, 16.2 pounds; 1961, 15.8 pounds. Even with the forecast increase of 20 per cent, it still remains well below what the Liberals were able to offer our farmers.

An hon. Member: Did you notice the difference in 1959 and 1960?

Another hon. Member: May I ask the hon. member a question?

Mr. Drouin: We, the Liberals, also propose to change the Crop Insurance Act so as to make it really available to the farmers.

It is not only in the west that crops are subject to weather conditions.

We, in the east, in the province of Quebec, and more particularly in the economic area of Montreal, have to face devastation by hail, drought, grasshoppers as well as floods, and our farmers cannot count on the benefits of crop insurance, because under that legislation provincial governments have to assume too heavy financial risks.

I shall not linger on a matter which my fellow member for Assiniboia (Mr. Argue) has so competently explained in this house, but I should like to point out some farm legislation introduced by this government.

I have here, in my hands, a sort of election folder published by the Queen's printer, extolling the merits of what is generally known as the ARDA Act, that is the Agricultural Rehabilitation and Development Act. Some

$50 million were ear-marked for the administration of that act though, as the hon. member for Assiniboia pointed out, it seems that no final arrangement has as yet been made with the provinces. I said "it seems", because the Minister of Agriculture (Mr. Hamilton) is not very wordy when it comes to informing the house of his department's activities. To all intents and purposes, two years later the benefits which one might have expected from that legislation have not yet been felt.

Indeed, I think that act will never be applied as such for the very good reason that it does not take into consideration the context of economic planning.

I shall not make a full analysis of that legislation. We will have the opportunity of coming back to it.

May I, at this point, expound another measure put forward in the Liberal party platform in order to help our farmers.

You are no doubt aware, of the value of publicity. Constant repetitions on the radio, the television and in the newspapers, to the effect that some product is the best, unconsciously leads one to believe it in the long run. Do you think that our wives use the green crystal Oxydol because it is the best detergent? I doubt it. The reason is rather that this detergent is much advertised.

Well, if this kind of publicity is so good for soap, why would it not be good in the case of milk and its by-products?

We can, through an exhaustive publicity program, create a demand equal to production. We will also succeed in securing new markets for our dairy products by financing, after an agreement with the school boards and through the provincial governments, free distribution of milk in all the Canadian schools.

It is unthinkable that our children should lack a food essential to their physical development, when our farmers are selling a good part of their dairy production at $2 per hundredweight.

However, the fact remains that a working man getting $60 a week cannot very well afford to pay 23 or 24 cents a bottle to buy the 8 or 10 pints of milk which his children absolutely need.

Even our Social Credit friends will surely admit that such a plan for free distribution of milk in the schools would be morally good, physically and financially feasible.

I was quite surprised to hear last Friday the hon. member for Nicolet-Yamaska give credit to his government for the Farm Credit Act.

[Mr. Drouin.]

I believe that this legislation goes back to the 1920's, and that it is due to the Liberal government. On the other hand, it is true that the present government has changed the name of the act and has somewhat altered the lending conditions in 1959.

But if that legislation now finds a certain favour with the farmers of the province of Quebec it is not due to the Conservatives, but rather because the Lesage Liberal government in Quebec enacted a legislation providing for partial reimbursement of the interests charged on those loans by the federal government.

Besides, our friends opposite use that legislation for publicity purposes much more than to really help the farmers.

The fact is that the guarantees asked for in practice are such that most applications are rejected.

The corporation grants loans only to those who need them the least and it asks more in the way of guarantees than any bank would, and that is saying a good deal.

The act becomes too often, with the complicity of certain officials of the Department of Agriculture, a fallacious publicity instrument in favour of our friends opposite.

Let me give you a good example: in the spring of 1962, that is before the June 18 election, a farmer in my constituency approached the then Conservative member concerning a federal loan. The member filled in the necessary application forms and later on sent an inspector to look over the applicant's farm.

Having collected all necessary information, the inspector led the farmer to believe that his chances to get a loan were excellent and that anyway he would hear very soon from the department.

Of course, in the meantime we had the election. In early September our farmer, tired of waiting and wanting to meet his obligations, went to the office of the new Liberal member for his riding to find out about his application. I then wrote to the district inspector and asked him about that application for a loan, and what was the file number.

Do you know, Mr. Speaker, what that inspector answered me? Simply that he remembered that application, for which, however, there was no file number, for the excellent reason that it had not even been considered.

That application, it seems, did not meet with the requirements of the Farm Credit Corporation.

I do not wish to discuss here the merits of that application, nor whether it was proper to give it consideration, but I should like to point out the fact that an honest farmer was seriously wronged through the bad faith of a Conservative member who, in co-operation with a federal official, resorted to the Farm Credit Corporation for election purposes.

I would not like to give the hon. members the impression that I question the competence and honesty of federal officials. Quite the contrary, I consider that almost all of them are the perfect example of integrity; besides, most of them have been appointed under a Liberal administration.

But I cannot help noting that, in the last five years, some Conservative members have tried to saddle upon the civil service a patronage system which once flourished in the province of Quebec, under the Union Nationale party. But we must not forget that this patronage system was severely reproved by Quebec electors in 1960 and will get, with all due deference to the hon. member for Joliette-l'Assomption-Montcalm and the Associate Minister of National Defence (Mr. Pierre Sevigny), its finishing stroke on November 14 next.

Mr. Pigeon: That's what we call petty politics.

An hon. Member: That's one thing you know.

(Text):

Mr. R. M. T. McDonald (Hamilton South): Mr. Speaker, at the outset of my remarks I should like to congratulate the Speaker and Deputy Speaker on their elevation to high office. I should also like to take this opportunity to congratulate the mover and seconder of the address in reply to the speech from the throne for the excellent job they did. I had the opportunity of speaking at the convention of the hon. member for Waterloo South (Mr. Chaplin) and I know he will make a great contribution to the House of Commons.

In the past few days we have been discussing the speech from the throne. It was very enlightening to see the alignment of the Liberal party with the socialist element in the house. When the hon. member for York South (Mr. Lewis) moved an amendment to the amendment today, which clearly means nationalization of industries and control of the lending institutions of the country, the Liberal members applauded. It is very interesting to see just how far they are going in this House of Commons and in the country as a whole. I do not think it is in the national interest for the Liberal party to be moving closer and closer to socialism.

With regard to planning, I wonder just what planning was done by the Liberals between 1954 and 1957 with regard to slum clearance, vocational schools and vocational training. The trade deficit between Canada and the United States soared and soared in a period when the Liberals said this country was going through a great expansion. They did not even give any consideration to the influx in population as a result of war babies that was going to take place between 1957 and 1960.

The Liberals talk about the great things they have done. What about expansion of trade? The old, doctrinaire concept is that the Conservative party is the protectionist party and the Liberals are free traders. Just what happened from 1945 to 1957? They did nothing. The tariff structure of this country has not been changed almost from the beginning of Canadian history.

Then they talk about social security, how benevolent they are and what they are going to do. I remember coming here in 1957 and listening to them crying, and saying they were sorry, but that they could give the old people of this country only a $6 increase. Then they went out on the hustings in 1962 and talked about portable pensions and medical and health insurance at the ridiculous cost which they described in my riding. The hon. member for Essex East (Mr. Martin), who is a great advocate of free trade only when it does not apply to the automobile industry, did nothing to commend this government for the reduction of the excise tax on automobiles. Indeed, the Prime Minister in his speech proved that the government is doing a great deal to help industry and especially the automobile industry.

In the speech from the throne there are many good proposals that should be given consideration by the house, but the Leader of the Opposition did not want to hear them. Oh, no, he wanted to grab power. The Liberal party was not elected to be the government of Canada. If they had been they would be sitting over here. Therefore it is up to them to look at all the proposals of the government and give them proper consideration. It is very apparent that they are going to support the socialist amendment this evening. I believe this is a great mistake on the part of the Liberal party and I think that the people will judge them on that mistake.

The speech from the throne forecasts expansion, new jobs, increasing trade, a taxation review, increased development through the industrial development bank and portable pensions. Portable pensions are very dear to

my heart as one who comes from an industrial constituency. I have advocated such a move before but I remember that when this was announced in the House of Commons the co-leader of the Liberal party, the hon. member for Essex East, questioned the then minister of justice as to why the provinces must give their permission for portable pensions to come into effect. He said we could do it ourselves. Yet the Leader of the Opposition admitted in his speech that the permission of the provinces must be secured for survivor benefits. You can see how the Liberals are repenting all the way down the line for the things they have done in the past.

I should like to refer to the three point program of the Liberal party which really does not contain very much that has not already been started. They talk about urban renewal and providing 75 per cent of the cost. I have been a member of an urban renewal committee in Hamilton for the last two years and it is not a matter of the federal government simply throwing out the money and telling the city of Hamilton or Toronto to rip down houses and throw people out of their homes. There must be a lot of things done before urban renewal can take place. There must be consultation with public and separate school boards and with downtown associations. It is not the prerogative of the Leader of the Opposition to say that the problem will be solved simply by increasing the grants.

He also talked about the industrial development bank and said that the Liberals would do very much more than we have done. By 1956 there had been 349 loans made amounting to $39 million. By the end of 1961, after the Conservative administration had been in power for five years, there were 1,364 loans totalling $71 million. This is proof that the Conservative party has been putting forward these proposals steadily.

He also indicated in his remarks that new housing for the production of jobs should be promoted by the government. This government put $2 billion into the direct lending market of the country. If his figures are correct that 100,000 jobs are created by $500 million going into the economy, this is proof that the government has provided 400,000 jobs in the housing industry over the period of the last five years.

In the field of education the government has made vocational training grants to municipalities to build vocational training schools, as well as university grants, loans to universities for residences and all the way down the line.

I should like to point out one thing to which I feel the government should give consideration at this time. I believe the time limit in connection with the sewage disposal legislation and the vocational grants should be extended beyond March 31, 1962 for loans that are presently in effect, so the projects can be completed. Many of the school boards in this country were perhaps a little hesitant about taking up this plan; but most of them, as the Minister of Labour has indicated, have taken advantage of it and some $267 million have been allocated. I feel we should go ahead and permit people to receive contracts in September and complete their contracts beyond March 31, 1962.

I did note that when this vocational program was announced in the House of Commons the C.C.F.-N.D.P. party and some Liberals laughed at it. They said that this was too little, too late. I do not believe $267 million is too little too late. The municipalities, who are very hard pressed in securing real estate taxes to finance school construction, are very happy with the program. Hamilton has a commitment for $8 million and they are very grateful for the government's interest in this proposal.

I listened with interest to the hon. member for York South (Mr. Lewis) expound his proposal for a utopian economy. At the beginning of his speech, he talked about the problems facing this nation. I am sure we are all conscious of these, except the Leader of the Opposition who did not want to discuss them. He just wanted to get the government out without even talking about them. I may point out that the approach of the socialist party is a very sympathetic and easy-going approach. They talk about a system of medical insurance. I do not want to have happen in this country what happened in Saskatchewan. For obvious reasons, I think that there should be a medical plan in this country. However, the royal commission on health services must report. I do not want politicians in this country trying to secure votes merely by saying, "We are going to have a hospital or doctors insurance plan". I do not want them trying to do this merely because they are uncertain about their political future. We must have all the information so that as a responsible government we can do what is best for this country.

The hon. member for York South talked at great length about planning, looking into the crystal ball to see what is going to happen. This was reminiscent of the call of a premier of Saskatchewan in 1944 and 1945. There was talk about abolishing the 2 per cent Liberal sales tax, a free medical insurance plan and government in industry. All the way down the line, everything was going to be great in Saskatchewan. This was the first socialist experiment in Canada and we have found it has failed. Mr. Douglas packed his

bag and left them in a mess. From 1945 to 1962 public debt increased from $120 million to $450 million and in the same period 250,000 people left that province. You look at government in business, nationalization, and competition with free enterprise. You hear Mr. Douglas, in some of his speeches, talk about going into the cement business, the plastic business, the alcohol business and so on. We know this party has gone into a few businesses and every one failed. He did go into the tanning business, the boot business, woollen blankets, and so on, and they lost a million dollars. Then, he went into the printing business, paint business, housing corporations, box factories, brick plant, and so on, and lost another few million dollars. If those in the socialist party who want to plan the whole economy of Canada cannot do this for a little province like Saskatchewan, I think they should be laughed out of this House of Commons.

I can see what is happening to the Liberal party. A man crossed the floor last session. I remember him sitting in this corner over here and telling us about the nationalization of the steel industry, or rather going into competition with the private sector of our economy. It appears as though he has had a great deal of influence on the Liberal party when they applaud so loudly the great socialist plan of this New Democratic party.

During the election and several years before, Mr. Douglas talked a great deal about putting people to work. This is a very important problem in Canada, and we must face up to it seriously. There must be no fooling about it. All during the campaign he talked about getting sticks and stones, picks and shovels and putting these men to work building roads or other things. At the same time, the power commission in Saskatchewan was buying electrical supplies from Switzerland and Italy. I am not saying the Saskatchewan power commission should not go into the competitive market for electrical materials. However, I am saying it is hypocrisy for a man to go across this country and talk about putting people to work with shovels and picks, while at the same time his power commission is buying electrical fixtures abroad that could be produced in my constituency.

Efficiency in government is, I think, a good thing, since it is the biggest business in the country. We have received the report of a study by the Glassco commission and I hope that the government will, without delay, implement some of those proposals. We have spent a lot of money in securing these proposals and I think we should put some of them into effect. At the same time, however, I believe we should set up some machinery for arbitration with the civil service commission. I do not mean arbitration in perhaps the provincial sense, the way labour relations are set up in the provinces, but some type of committee should be brought into effect so that civil servants across the country can talk to the government and reach a mutually acceptable settlement of their problems.

The next point I would like to mention in my brief speech is the matter of transportation in Canada. This problem has been with us for a long time because of our country's size. There was an item in the throne speech concerning transportation which I think every hon. member should read. It is a worry to me, as a member of parliament, every time the Canadian National estimates come before us and I see the great deficits that we seem to be loading on this country. I have no bone to pick with Mr. Gordon because, in a way, he is a good businessman. However, I feel he is trying to take over the whole transportation industry in Canada. The keynote of the report of the royal commission on transportation is that competition makes good freight rates. From time to time Mr. Gordon has come before the federal committee on railways, air lines and shipping and told us of the many things that company is doing in the country.

I was particularly interested when, in 1959, Mr. Gordon talked about a $5 million item in his estimates for truck operations. These truck operations were to take care of the movement of freight to the railhead in areas where lines had been abandoned. It seems to me, however, that Mr. Gordon is going beyond this type of operation for now he controls running rights from Halifax through to Vancouver by means of long haul truck companies. I do not believe that was intended by this parliament. The royal commission talked about competitive rates being the basis of a free enterprise system. I now feel that Mr. Gordon is going against what he said in the committee. I hope the Minister of Transport will convene this committee as soon as possible so that we may seek clarification of what the president of the C.N.R. is trying to do with transportation in this country. He mentioned a merchandising plan in 1960, under which he could buy trucks to bring loose cargo into the railheads and then transport it across the country by rail. Now we find that with his large trucking firms he is shipping cargo by trucks in direct competition with private trucking firms who, at this time, cannot apply to a royal commission or to the board of transport commissioners for relief, even though the C.N.R. and C.P.R. may cut rates by using the finance subsidy given by the federal government.

I believe the House of Commons should give serious consideration to this matter and, through the Minister of Transport, we should seek to bring the president of the C.N.R. before a special committee so that we can look into all the ramifications of the problem. The Minister of Trade and Commerce (Mr. Hees), has talked about the denationalization of the trucking industry in Britain after the Conservative government came back into power, and said it brought about a great improvement in transportation. Before we give a bureaucrat, or president of a crown corporation, unlimited possibilities to take over rail and truck transportation in Canada, we should thoroughly investigate the matter so that we shall not wake up some morning and find ourselves faced with a greater transportation problem.

The government, under the circumstances it encountered when it came into office in 1957, has done a good job. Of course one can go across the country and point to particular problems. There are always problems, but this is the age of the responsibility of the individual. If people want the government to supply them with jobs and welfare, somebody must pay for that. We must all work together so that we can achieve these things. I do not say the Liberal party did nothing when they were in office, but now they say that under the Conservative party nothing has happened during the past five years. They are very unfair, but I can see what is happening to them. They are moving in with the socialist parties into this new planned economy and the nationalization of industry. That is a most improper thing for a Liberal party which professes to believe in the free enterprise system.

The hon. member for York South (Mr. Lewis) moving his amendment, and he is a doctrinaire socialist, mentioned that the New Democratic party would direct social capital in Canada; but how can they direct social capital, which in effect means the trust and insurance companies, without controlling them? As a result of what happened with the so-called compulsory medical care insurance plan in Saskatchewan I really do not see how the Liberals, for political expediency, can side with the people who caused that. It was no benevolent thought on the part of the socialist party to advocate free hospitalization and medical care, because it is not free. During the election a medical doctor who opposed me on behalf of the socialist party told the people he could give them hospitalization and medical care for $24 a year. This is hypocrisy. This is bribing the electorate with their own money because the electorate comprise the people who must pay for these services.

[Mr. McDonald (Hamilton South).]

I am certain that in the near future we will see very active consideration given to all these proposals, but not at the expense of Canada and for the sake of winning a few votes. We are a responsible people and a responsible parliament and we work under a democratic system.

The average person in my constituency, who works in a steel mill or with the Firestone Company, does not want handouts. I come from the labouring class myself and I repeat we do not want any handouts. We want the opportunity to be able to buy our homes. We want the opportunity to do things the way we feel we should do them, and not be told by anyone what we should do, where we should go and what work we should undertake.

It is the responsibility of the government and parliament to cure the economic ills of the country; but to describe devaluation of the dollar as bankruptcy—and this was done during the election campaign—is falsehood and fraud. The hon. member for Davenport (Mr. Gordon), when he spoke today was a great advocate of devaluation. In many instances he has said, "Devalue the Canadian dollar and everything would be well." But when that happened during the election campaign the Liberal party said we were going into bankruptcy. Afterwards they talked about an austerity program, and so did the press. This is not an austerity program. Great Britain had one and it was a lot worse than what is going on here today. This is an exchange problem such as we have faced in the past.

We hear great ridicule from the Liberals of the Prime Minister's stand at the commonwealth conference, but this was the first time in a great many years that any Canadian prime minister went out of Canada to Britain and the United States and talked to them in a businesslike way. In the past the Liberal party did not talk to them at all. They just rode along with what was said. They did not even plan ahead, but now they are siding with the planners who are going to take over the economy.

This government was misrepresented by people who wanted to get into power. It is true that they may have complaints about the government and the Conservative party, but the Leader of the Opposition beat his chest all summer, and late into September, saying "We are not going to talk about this. We are going to throw them out without hearing or discussing their proposals."

The government deserves that its proposals be considered by the house and in this situation it is unbecoming for the Liberal party to vote for a socialist amendment. We are

moving left all the time and I do not think that people as a whole want government control. They want social welfare that they pay for, and they want pensions to which they contribute. They do not want politicians telling them about some pie in the sky and free hospitalization. The people of Canada are the government.

Before closing I would like to stress that I have not dealt in full detail with Mr. Gordon and the C.N.R., but I believe the government should give very close scrutiny to the operations of the Canadian National Railway system and its intrusion into the trucking industry of the country.

I am sure the Liberal party could not support the amendment of the socialists and I hope at a quarter to ten tonight they will not show their true colours by moving more left into the socialist camp.

Mr. Jack Davis (Coast-Capilano): Mr. Speaker, I would like to join with those who have spoken before me in complimenting both the mover and the seconder of the address in reply to the speech from the throne. They did a fine job, a wonderful job, particularly in view of what the speech from the throne did not contain, and more particularly with the thought in mind that much of what is in the speech, if the record of the government is any indication, will not be carried out.

I am a new member of the house. I speak with some trepidation; yet representing the second most populous constituency in British Columbia, a riding of which I am very proud, I hope I shall represent it to the best of my ability. It is a riding which encompasses the north shore of north and west Vancouver and runs up the west coast. It includes many industries, mines, pulp mills and factories, and it is the dormitory of many people of varied vocations and high skills who work in Vancouver. They are particularly concerned with trade—overseas trade and trade with the United States—and they want to work with our neighbours as well as to argue with them.

It is an honour, too, to attempt to follow in the footsteps of the Hon. James Sinclair, the former minister of fisheries who represented Coast-Capilano with great distinction for many years in this house. It is a great inspiration for me to be here in a house which has seen many great Canadians do their best for this country, men with a sense of history, a grasp of world affairs and, more important even than that, a confident outward-looking attitude toward the affairs of this nation. It has been a cause of some distress to me to hear the bickering and petty exchanges which have gone on in this house in recent days. More particularly I have become fatigued by the continuing political orations which put party doctrine—words, generally, which are virtually meaningless—before tangible things.

I am responding to the speech from the throne. I want to talk about energy, about power and, more particularly, about the Columbia river treaty. We Canadians have a problem. We live in a changing world. Perhaps that is a cliché. But with respect to energy we now have many choices before us. Fuel oil has become a luxury. Coal is usable in only a few areas. Oil is giving way in many applications to natural gas and hydro power is having to face the challenge of other means of generation. Beyond all this there is the great promise of power from nuclear energy. As I say, people have more choice. Energy is more transportable.

Surely, we should not be concerned about running out of energy. Surely our attitude should not be one of concern about the eventual recovery of electric power. Part of the speech from the throne says that this government will give consideration to the longer term export of electric power. I think this shows a confident attitude which befits Canadians. It is realistic. It is too late in coming, but it is true also of members on this side of the house that they have not yet realized the realities of the technological changes made in our time. We have to be positive and we have to be realistic at the same time. We need safeguards, of course. We must not export something we shall need in the foreseeable future, and we must not give price concessions to people in other countries which are not available to ourselves. However, we shall look after that. We have an energy board to look after it. The setting up of such a board was recommended by the royal commission on Canada's economic prospects. It was recommended also by the Borden commission set up by the present government. It was a good idea. The board will safeguard our interests through public hearings at which there will be a full disclosure of all the facts.

We have in this country $6 billion worth of investment in power generation plants and equipment, and the latest information to be published by the dominion bureau of statistics tells us that nearly 25 per cent of that plant is idle the whole year round. Our peak requirements are less than 80 per cent of our plant capacity. We have $1,500 million worth of idle plant. What is the answer of the planners? I am an engineer. I have done some planning. I have even worked for a power utility. The power companies say: if you can get some revenue for your surplus capacity until you can use it yourselves, sell it for what you can get. This is a practical problem faced by utilities not only on this continent

but everywhere. Let us spread out our overhead—this tremendous investment. Let us be more efficient by interconnecting with the United States as well as across our provinces. This is the way to become more productive and, incidentally, the way to earn United States dollars. Even if we sell only a fraction of our excess capacity we shall earn tens of millions of dollars of foreign exchange for this country. That is one practical way I see of improving our balance of payments position over the next few years at least.

We are not unique on this continent. We had a little problem some years ago with regard to getting some power back, but conditions were different then; hydro power was the only really efficient low cost way of developing electrical energy. We are reluctantly going to engage in this trade. But what is happening in Europe? There is a cable now in the channel between the United Kingdom and France. The Norwegians, who even more than Canadians are dependent on hydroelectric resources, have taken loans from the government of Sweden to build projects earlier than they would otherwise have been built to produce electric power for export to Sweden. In these developing nations of Europe we find electric power being exchanged relatively freely. We even find an over-all energy program for western Europe. Nevertheless, we on this continent by and large are holding back. We are afraid to trade in power. I say we must trade, we shall trade, and we shall trade intelligently.

I should like to concentrate now on the Columbia river treaty. As a Canadian I regard this treaty with mixed feelings. As a legal document it is superb. Phrased in straightforward language, it takes a complex subject and reduces it to terms most, if not all, of which are understandable to the layman. The engineering data upon which the draft treaty is based is less laudable. New information has been collected since the treaty was negotiated nearly three years ago. Construction cost estimates have been revised and interest rates have risen sharply. Still, it is the over-all economics of the Columbia river treaty about which I am most concerned. As interpreted publicly by the present government it must be characterized as nothing short of a fiasco. It is inconceivable that the government of this country should enter into any agreement, let alone a comprehensive treaty with another country to last at least 50 years, which failed to procure any demonstrable advantage for the people of Canada. It is, unfortunately, another awesome example of this government's continual reign of errors. Had the present government been in contact with the competent utility authorities on the west coast it would have been aware of at least two things: first, we in British Columbia have many sources of electric power. They are immense and varied. Second, they would have known that energy from various other sources, including coal, oil and gas based power, can be produced at costs comparable to or less than those which can be achieved by repatriating Canada's share of downstream electricity benefits generated as a result of the Columbia river treaty. I am personally satisfied, and this is confirmed by calculations made both by the engineering staff of the B.C. hydro and power authority and by economists for the well known United States agency, Resources for the Future Inc. of Washington, that a combination of fuel burning stations in British Columbia could produce energy at prices competitive with the energy which this government would bring back from the United States.

Most certainly there are combinations of hydro resources and thermal plants which can produce power even more cheaply; hence there is no immediate advantage, in bringing this power back to Canada, certainly in carrying out a program such as that envisaged by this government.

That we have not made a provident deal economically with the United States can be demonstrated in various other ways. In order to build our three treaty storage projects—we are obligated to do this under the treaty—we must put up no less than $350 million. These three dams will cost us at least three times as much as the Americans will have to put up in order to take advantage of that storage. We put up three times as much money as the Americans.

This is no bargain, Mr. Speaker. But there is a complication: we characteristically pay higher interest rates in this country, and under the present austerity program we are paying a good deal more in terms of interest than is normally paid in the United States. As a result of the fact that the projects that we must build cost three times as much in capital investment, and because the interest rates are higher, the power cost to Canada will be between five to six times as much as the cost of the power that the United States will obtain under this treaty. Perhaps our share of his downstream benefit energy will cost us something of the order of 4 mills per kilowatt hour, while the United States will get its share for considerably less than one mill per kilowatt hour. This has all been given in evidence before the congressional committees of the United States. It is public information, but it simply is not information which is known by the majority of the people of this country. No man, no government, no party can be proud of this achievement. If it is not selling Canada down the river, it is

selling Canada short. We will never get rich in this way. We will never be able to strike rates in this country which are attractive to industry and which will bring industry here. In effect we are helping our neighbours too much. We are not looking after our own interests in a businesslike way.

This in capsule form is the greatest single indictment I can think of concerning the bureaucratic bungling, lack of liaison in industry, and the high-handed, opinionated action of the government in respect to matters of this kind. We are in a mess, but we have a dire need in this country to put people to work. We must build projects and we certainly need better rates and lower costs in our industries. How do we achieve these and become positive about it? I submit that the only conceivable way in which we Canadians can rescue this treaty in anything like its present form is to sell our share of the downstream benefit energy to the United States. We must sell it or forget the treaty, and we must sell it for a much higher price than the United States is having to put up for its own share of the power. More than that, I believe it should be sufficient to yield us some sort of profit on this public investment in Canada. What we have to do essentially in our sales to the United States, is to earn something of the order of $24 million or $25 million a year. This is equivalent to more than four mills per kilowatt hour. This is the price we have to get in order to break even on those dams, if we are to be forced to build under the treaty. The sum of $30 million a year, if we were to get it from the Americans, would yield us something like five mills per kilowatt hour. I do not know what the right figure is, but it is certainly a substantial one. We must get a price like that if we are to set in train a substantial development in British Columbia which is useful to the people in that part of Canada.

In view of the high interest rates now prevailing in this country, and in view of the objectives of the government's austerity program, it would be a master stroke, I suggest, if we could get the United States authorities to put up all the cash in advance, not just $30 million a year, year after year for several decades, but a lump sum. We have been prepared under the treaty to accept something of the order of $64 million as an all time settlement for flood control. I submit that we should be going to the United States and asking for a lump sum settlement for the delivery of our share of the power over a long term of years. Something in the order of $500 million might be the figure. This figure would give us a profit. It would give us a capital sum over and above the $350 million or $400 million which we have to put up in order to build these three immense dams. This would be in Canada's interests, would provide us with jobs in building the dams, and would certainly help us to strike rates elsewhere or build projects elsewhere to attract industry. The United States might raise these funds more cheaply than we. By that I mean by lower rates of interest. It would give us a profit in the order of $100 million to $150 million, and we could do great things with this project.

I recommend some such arrangement not only to hon. members in this house, but to those who, I hope, in the not too distant future, will be attempting to negotiate some such arrangement in Washington. This is a crucial negotiation and it is one which must be completed before the Columbia treaty is brought into this house. To ratify the treaty before we know what we can get for our surplus power would be to tie our hands and commit us to hundreds of millions of dollars of investment in terms of controlled water flow out of Canada. Without knowing what price we would get we would be over a barrel, so to speak; we might have to accept perhaps a lower price if we were to ratify the treaty before the actual price was known.

The appropriate procedure as I see it is to get on right away with the negotiation of a price. The term, furthermore, in my opinion should be long enough to give us a good price. Then having a contract for the sale of this energy in our hands, we should promptly bring the treaty before the house. It could then be reviewed at length by our house committee on external affairs with a view to hearing expert opinion and to tidying up some of the details which have been bothering many Canadians for so long. Most notable, in my opinion, is the need to give Canadians the same latitude in respect to the completion of the major treaty projects. At this moment, under the treaty in its present form, we are pinned down as to the precise years in which we complete these three immense projects. The United States can start this project at any time within five years. I suggest that we enjoy similar freedom in respect to our commitments of construction. This is the sort of improvement which I think might well be acceptable to the United States which could conceivably be made in the treaty and made expeditiously. I am optimistic. I believe that it is possible to complete our price and other negotiations in a matter of weeks, at most months. By next spring construction should get under way. But first of all we must rescue the treaty from the hands of those who have been against the export of electric power, and this is why I pressed a question early today with regard to the export of power under the

Columbia treaty. I think that this is an intimate relationship, and I do not think, as the Minister of Public Works (Mr. Fulton) said, that there is no connection between them. The present government has made its own restriction as to interpretations of how we can trade in energy. They suspect the Americans and even suspect sometimes, I believe, their own colleagues. This is no way to go about getting things done. Certainly it will not put people to work.

The question before this house is one of confidence. Do we have confidence in this government and in its ability to carry out its intentions as outlined in the speech from the throne? It has suddenly, very suddenly, changed its mind about the export of power. This comes as a surprise after all that the Minister of Public Works and the Secretary of State for External Affairs (Mr. Green) have been saying about the evils of selling electricity to our neighbours in the United States. The government has negotiated a treaty which, unless we can rescue it by the sale of power at a very high price, will place Canada and Canadians at a serious disadvantage for many years to come. And it has clearly lacked the ability to co-operate with the province of British Columbia and the government of the United States in this connection. How can we be sure that this government has suddenly been transformed, that it is now in a co-operative mood and that it can now reverse the awful economics of the Columbia river treaty, and that it is really prepared to set the stage for a confident, outward looking policy on power. We need action, ability and imagination. This government has made a few gestures. I hope this is more than a gesture from the speech from the throne. However, in view of the government's record, I doubt whether it can follow through. At times I even doubt whether they really wish to follow through. In other words, Mr. Speaker, I have no confidence in this government.

There are two other quite separate matters which I should like to mention. One was raised by the Minister of Labour (Mr. Starr) in his recent speech. He said that during the five years since the present government had been in power the per capita income—that is the income per person—in this country has risen by $65. This is roughly equivalent to $13 a year. May I say that 13 is not a very lucky number. May I also say that $13 should be seen as against an average income in this country of close to $2,000. Therefore, people of Canada, your increase in the last five years has been $13 a year, or about one half of one per cent. Just consider what the reputation would be of the management of a firm which was offering its employees year after year one half of one per cent. This is not a very remarkable performance. It is niggardly in relation to the performance of many other countries. May I say that 2 per cent has been the North American average over the long term and 2 per cent, 3 per cent, 4 per cent and 5 per cent have been typical with most countries in the western world since the end of world war II. This is an accomplishment, but it is not one to boast about. May I say that 13 may be a number that will plague this government for years to come.

I now wish to touch on another topic. The hon. member for York South (Mr. Lewis), who is a very well read gentleman, I believe unintentionally misinterpreted a statement which he attributed to the hon. member for Davenport (Mr. Gordon). It is an objective of this party—I refer to the Liberal party—to achieve a balanced budget. However, it is not the prime objective. The prime objective, as even I as an engineer can understand, is full employment, and with full employment, the maximum possible rate of economic growth. If we do not have unemployment, then a balanced budget is a reasonable thing to achieve; and over the long run let us hope that with good management and, I suggest—with quotation marks around the word "planning"—with good planning, we can some years have surpluses and in other years deficits but in the long run the idea is a balanced budget. I think this is a more correct interpretation of what the hon. member for Davenport had in mind.

Mr. Chatterton: Will the hon. member permit a question at this time?

Mr. Deputy Speaker: I am looking to the hon. member to reply by giving his consent. Actually, there is time for him to answer the question.

Mr. Davis: Yes.

Mr. Chatterton: The hon. member referred to the cost of power and said that our Canadian share of the downstream benefits would be four mills. Does that take into consideration the cost of power from Mica, fully machined? I am just asking for information.

Mr. Davis: Yes. As it happens the power from the treaty projects coming out of the United States as our share is of the order of four mills. With a fully machined Mica Creek development, complete transmission is of the order of four mills per kilowatt hour.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this house being composed as it is, I suppose it was inevitable that it would reflect the atmosphere of the recent election campaign. Even so, I find this tragic.

During the election campaign that concluded on June 18, the people of this country faced real and serious issues including those of unemployment, matters concerning security, health, trade, maintaining the peace of the world, issues vital to the continuance of our civilization and of life itself. Yet I think it is fair to characterize the recent election campaign as one in which, for the most part, these real issues were drowned in the sound and fury, the fuss and bother, of a campaign in which the two main leaders seemed to be concerned most of all about their personal electoral success or about their position in Canadian history.

Here in this house the situation is exactly the same. Real issues still confront the Canadian people. Some of the crises that were with us have deepened in the months since the election was held. That fact makes this session of the parliament of Canada one of the most important to be held in the 95 years of our history since confederation. But how did this session get started? First of all, of course, there were the formalities and the ceremonial parts of it. However, when we reach serious debate, what do we get? We get a six hour or seven hour duel, a shocking display, with the two gentlemen who are supposedly the topmost political leaders in this country quarrelling with each other as to which one was telling the truth, as to which one was using the right statistics and as to which one should be in office. You can search the pages of *Hansard*, Mr. Speaker, for those six hours or seven hours and it is with great difficulty that you will find anything constructive or anything suggesting the seriousness of the times in which we are living. That pattern, I regret to say, is to a large extent continuing. In all fairness, I must say that I think better speeches have been made since leaders' day than were made on that day. However, the pattern continues. We have had it today between the hon. member for Davenport (Mr. Gordon) and the Minister of Labour (Mr. Starr). We have the same political partisan fight that is carried on in complete disregard of the fact that these real issues face the people of Canada.

This might not be so bad, Mr. Speaker, if it were only incidental. However, it has been going on for some time. Certainly for the past few years we have had a government that has been directed, so it has seemed to some of us, with an eye to the leader of that government finding his personal place in history. The same pattern has shown itself in parliament to the point where many people wonder whether this institution will serve the purpose for which it was established.

Mr. Speaker, we in this parliament have a tremendous responsibility. This institution, democracy, freedom, civilization, may well depend upon whether groups of parliamentarians like us, whether we the ordinary members of this house, can take command of the situation and compel the giving of attention to our real problems.

I have already indicated by brief reference what I regard as some of those real problems, and I am free to admit that just about every one that I have mentioned and every one that I have in mind has been referred to time and again by previous speakers. For example, the health or ill health of our economy and the crisis that we face in terms of unemployment have been mentioned repeatedly; but for the most part these subjects become battles of statistics, as the government now in power and the representatives of the last one that was in power each try to prove that one was a little better or a little worse than the other.

I know of no problem facing us, no area where it should be more evident than it is in the case of our economy and unemployment that what we need in our time is a massive attack, a breakthrough, an all-out determination not just slightly to improve the situation but to lick once and for all the problem of unemployment. The Prime Minister the other day drew attention to the statement in the speech from the throne that the government now in power hopes, if it stays there, to provide a million new jobs in the next five years. The Leader of the Opposition in his speech thought he was going one better. I wondered what was coming, only to hear him say that if the Liberals were in power they would provide a million new jobs in the next four years.

We need something a great deal better than that, Mr. Speaker. We need a million new jobs this winter. As a matter of fact, we need something more than just a statistical improvement. We need to order and organize our economy so that the first thing it does, so that its principal aim, is to provide for our people full employment. It is not good enough for governments to put balanced budgets or exchange rates or loyalty to certain doctrines or sacred cows first in the picture. Things like budgets and exchange rates and methods of financing are tools to achieve a more important end. The end is full employment; and I suggest that some day people will read the debates of this house, in fact, the debates of this day, and think it was very sad that hon. members rejected on the floor of the House of Commons the idea of economic planning. They will resent some of the language that was used when they realize that it was by the means of economic planning that economic health was achieved and full employment was provided.

The plea I make, Mr. Speaker, is that we look at this problem not in terms of just a slight statistical improvement but that we look at it in terms of really conquering it. We are in an age when the word "breakthrough" has meaning for us. We are breaking through in the conquest of space. We are even achieving some breakthroughs on earth itself. We are building super highways, freeways and throughways to try to get the increased number of vehicles on our roads moving. We are, as I say, breaking through in some areas; but here, in the most important area of our life, namely, providing full employment, we are prepared to stop short of it because, first of all, there must be a balanced budget or there must be a fixed exchange rate or there must be no departure from loyalty to the principle of free private enterprise.

What we need in our time, Mr. Speaker, is a massive attack, an all-out program of planning, of spending money on the things that our society needs to increase our social capital, to provide jobs, to provide goods and services for our people. We need to recognize this as the No. 1 job of our society, and if it is the No. 1 job of our society it becomes the No. 1 job of the parliament of Canada.

I say that it is our function as private members in this House of Commons to compel attention to this problem. I welcome the speeches of some private members in all parties who have dealt with it, but in particular we must compel the attention of the leaders of the two major parties in the house to the importance of this problem.

What I have said with regard to a breakthrough being needed in the matter of our economic health and employment is also true with respect to other problems and difficulties that face us. Housing has been mentioned a few times since this debate started, and let us admit that progress has been made in building homes in Canada. But it is still true that there are far too many slums, far too many Canadians of all ages living in conditions which should not be true for human beings. Why? Because of the same adherence to outworn principles that holds us back in providing full employment. Housing is a right. Housing is a social asset that our people should have, that they are entitled to; and if our society, our democracy, is worth its salt we should find ways and means in this parliament to achieve a breakthrough so that within a reasonable period of time all people in this country will be living in good homes.

The same is true in the whole field of social security. I rejoice in the progress that has been made in this field. I rejoice in the progress that has been made since I first came to the house some 20 years ago. In some of those wartime sessions we used to have difficulty getting the right to speak on the necessity of doing something about raising the old age pension which was then $20 a month payable at age 70 on a means test basis. We have made progress since those days and I congratulate all those who have participated in the making of that progress. But surely the time has come when old age pensions and other forms of security should be predicated, not just on the idea of providing people with enough to keep them alive. Surely the time has come when a country like ours, which can produce a tremendous quantity of goods and services, could provide for people when their working days are over or under any other circumstances a standard of life just as good as they had during their working days.

It is going to take just as much of a breakthrough in the minds of parliamentarians, in the minds of some people around here, to achieve that idea as it took to break through the means test with respect to the old age pension. But this is the sort of thing that is needed, and I plead that we do not take too much time getting amendments to the British North America Act or referring the matter to royal commissions and so on, but that we really go all out to use the resources that are ours for a social security program that gives dignity to the lives of all our people.

In that same vein I mention the matter of health care which was referred to by my colleague, the hon. member for York South (Mr. Lewis), in that tremendous speech he made this morning. This is something that our people are entitled to, not just in terms of what they can afford to pay for or what they can afford by mortgaging their entire future, but something they are entitled to as much as they are to elementary education, something that they are entitled to as much as they are to any of the rights, benefits and privileges of living in this great land. But we will not get it so long as there is this constant adherence to worn out cliches and worn out principles that surround the practice of medicine. Surely, it is time for those who practise the great science of medicine, and for those who organize society as a whole, to realize that between them there should be co-operation, so that the full benefits of medical science get through to all our people. I could go on, Mr. Speaker, but the clock is doing the same.

I want to say a word about the international situation. In our time, we must, to repeat the word that I have been using, work for a breakthrough. I agree with those who say if we are going to achieve the peace of the world we have got to exercise the wisest diplomacy we possibly can; we have got to

take a strong stand for general disarmament. But on top of all these things that seem directly related to the questions of war and peace, let us face it: if we are really going to save the peace of the world we have got to raise the living standard of mankind the world around. This, Mr. Speaker, will not wait until the year 2,000. This must come now.

At a time when two thirds of our people in the world are hungry, ill fed, ill clothed, lacking in education and all the things that go to make the dignity of life, we have unemployment in our country and unemployment in the rest of the western world. We have trade problems, and all that. How ridiculous it is, in the face of a world of nearly 2 billion people requiring decent homes, clothing, food, education, medical attention and all the things that we could help to give them if we did a real, all-out job of organizing our economy. This would not only raise the standard of living of our own people but it would operate to raise the living standard of people throughout the world.

It must be obvious, Mr. Speaker, that the key to all of this, the key to our getting started in achieving a breakthrough, is contained in the words of the amendment that this party has placed before the house. Our amendment calls for economic planning, designed to achieve economic growth and to provide full employment. If we do those things we can achieve dignity and a place in the sun for our people. If we do those things we can provide housing, health and security. If we do those things we can play our part in helping to bring about a better world. However, we have to get started on them and not allow ourselves to be held back by these lectures about planning being regimentation, planning being something that is ridiculous, something we do not want. Anyone with any common sense knows that anything that is being achieved in the world today is on the basis of large-scale planning. How did that astronaut get around the world six times yesterday except by the planning of a tremendous number of people? All the things of which we are proud in this day have come about in this way. Yet, we do not seem to have the common sense to apply this concept to the thing that affects us all, namely the organization of the society in which we live. For this reason, Mr. Speaker, we have placed before this house our reasons for expressing our nonconfidence in the government of the day.

We hope, Mr. Speaker, that the members of this house will look at that subamendment, look at the words, and cast their vote on the basis of what those words say. If hon. members are living in the sixties, if hon. members are aware of the problems that face us, if hon. members are aware of what the future expects of us all, they will realize that they cannot, in conscience, say no to the things we are asking for from this corner of the house.

After the vote on our subamendment is over, we shall come to the vote on the main amendment. As this house knows, that amendment is something that is now in the possession of the house. We will cast our vote on it, not on the basis of the speech that was made introducing it. You can imagine what that would prompt us to do. We will cast our vote, not on the basis of the party introducing it. Their record is too much like that of the party now in power. No, we will cast our vote on that amendment on the basis of what it says.

I believe it is fairly clear from what we have said in our own subamendment, what has been said in the three speeches that have thus far been made from this corner of the house, how much confidence we have in either the government of the day or the party immediately opposite. We think that the time must soon come for the Canadian people to be given a chance once again to make their choice for a program designed to achieve a breakthrough for all our people.

In the few minutes that remain to me, Mr. Speaker, there is perhaps one other thing I should like to say. If we are going to do our job in this parliament we not only have to get down to business and deal with the real problems that face us, but we have to keep this parliament on the rails. I recognize the difficult time you are having, sir, particularly in the first hour of each day, and perhaps I add to your difficulties once in a while. But we will discuss that matter on an appropriate occasion. I agree with you that you, from the chair, have a responsibility to guard the dignity of this house and that we, as private members, have a responsibility to respect the dignity of this parliament, to take advantage of the opportunities that are raised to press our points, but to see to it that the rules are followed.

However, Mr. Speaker, I insist that that responsibility rests in a particular way upon those who sit on the treasury benches, upon the government of the day. On the appropriate occasion I shall have something more extensive to say, and it will be documented and as pointed as I can make it, about a government which in my view, from time to time, flouts the rights of this parliament. In my view the most recent and most serious example of the government ingnoring the rights of parliament was the order in council that was passed on June 24 imposing taxation without due process of law. We have been told in this house that this was done by order in council based on legislative authority and

that legal opinion was obtained that the government had power to do this. This legal opinion was obtained from the Department of Justice. We all know what the Department of Justice is doing when it gives a legal opinion. The Department of Justice is under the government, and too often it gives the government the opinion it wants.

I can get an opinion, too. Lawyers with whom I discussed this matter agree with me that that order in council, to say the best one can for it, is a case of a subterfuge. It is a case of achieving indirectly what cannot be achieved directly. There is in the Customs Tariff Act a section that gives the governor in council the right to transfer goods coming from certain countries from categories having more favourable rates of tariff to those having less favourable rates. But it can be done only by transferring them completely from one category to another, and when transferred to the other category the rate in that other category shall apply. This is what the statute says.

There is another statute, the Financial Administration Act, which gives the government the authority to remit or give back any tax or penalty to individuals where, for various reasons, it is obvious that a tax already paid should be remitted. When one reads that statute, the Financial Administration Act, and the sections I have in mind, it is clear that these are repayments that are allowed. It is a perfectly proper provision, but this government has seen fit to put these two things together and to pass an order in council transferring certain goods to a less favourable rate of duty and then, under the other act, to forgive all of the higher duty that came about in that way, that is, in excess of 5 per cent, 10 per cent or 15 per cent as the case may be.

What has happened here? The government, the executive, legislated an increase in taxation without recourse to parliament, and it does not even have the decency, courtesy or respect for the rights of parliament to bring it before the house for approval.

I did not approve of the taxation by radio that Mr. Abbott gave us in 1947 or 1948, but at least those people later gave the house a chance to enact legislation making it retroactive, and the government of that day had a majority to ensure that it was done. But here a government without a majority proposes to exact taxation without due process of law, and does not give parliament a chance to look at it at all.

Mr. Pickersgill: Would the hon. gentleman permit a question?

[Mr. Knowles.]

Mr. Knowles: Will you wait until I have finished my time?

Mr. Pickersgill: Then I will not be able to put it.

Mr. Knowles: Can you do it quickly?

Mr. Pickersgill: I can do it very quickly. Does the hon. gentleman really think they figured all this out between June 18 and June 24?

Mr. Knowles: We might find that out if we got a chance to debate it.

Mr. Pickersgill: Exactly.

Mr. Knowles: We can remember that Charles I lost his head and George III lost the American colonies by such practices, and this is all being done by a government leader who, perhaps more than any we have ever had, has prated for years about the rights of parliament.

Some hon. Members: Hear, hear.

Mr. Knowles: Mr. Speaker, in conclusion may I just say, in the vein in which I was speaking when I spoke of the need to break through and tackle our economic problems, that this is a tremendous decade in which we live. It is a decade in which time is giving us a magnificent chance. If we throw it away, it could be our last; but if we in this decade, with determination, do the job we can do, we could build a society worthy of the dreams of centuries. This is a world wide task, Mr. Speaker, but we in Canada have a part in it. Our part is to set our own house in order, to establish security, justice and freedom, human dignity and values worth living for, here in Canada. We must do the job now, while there is yet time.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, like the previous participants in this debate I want to offer you my sincere congratulations. As I am the first Conservative member to speak for the province of Alberta I am sure hon. members will not mind my taking this opportunity to say, speaking on behalf of all the people in the province of Alberta, that they feel highly honoured at the honour you have achieved in becoming Speaker of the House of Commons.

The ancestors of many western Canadians came either from Ontario, the province of Quebec or Europe. Your own ancestors were French Canadians from the province of Quebec, and I am sure your relatives back in that province join in the pride of Alberta that you have been given this high honour.

I would also like to congratulate the mover of the address in reply to the speech from the throne, the hon. member for Waterloo South and the seconder, the hon. member for

Nicolet-Yamaska (Mr. Vincent). I only trust that when I made my maiden speech in the house I did as well as they, and I hope my speech tonight will come up to their standard.

Although I am sorry to see he is not in the house at the present time, I also wish to congratulate another Albertan, the leader of the Social Credit party, who represents the constituency adjoining mine. I recall reading in the *Globe and Mail* at the time he achieved that office as national leader of that party that he mentioned, or at least he was reported as saying, that he was one of the true Conservatives from Alberta. When he speaks as a Conservative, then I commend his remarks to you, sir.

The last speaker, from Winnipeg North Centre (Mr. Knowles), said he was discouraged because the leaders of the two major parties had hurled reproaches and recriminations at one another. One must look to see where these commenced. I have in my hand the *Globe and Mail* for Tuesday, October 2, 1962, in which the leader of the Liberal party is quoted under a heading "Pearson Accuses PM of Political Fraud". That has been answered by other Conservative members, in particular by the hon. member for Hamilton South (Mr. McDonald); but when we talk about misrepresentation and fraud I cannot help thinking of the speeches the Liberals made during the election campaign in reference to the devaluation of the dollar. They must know, and we know as Canadians, that when the dollar reached the value it did reach it meant economic welfare for every major industry in the country. When I say that I am thinking of the primary producers, the western farmers, the farmers of Ontario and the manufacturers of dozens of products throughout the country. But when this misrepresentation and fraud was attempted, unfortunately in some cases people had not time to consider it well and they were left with the impression that the government devalued the dollar. The government pegged the price of the dollar. It did not devalue it; and it was complete fraud and misrepresentation on the part of the Liberals when they suggested what it would do to the primary producers of the country.

I am sure that when those same people have an opportunity to reconsider the position, in the next election, they will know where to mark their ballot papers. I am one of those Conservatives who believe there is an old Liberal trick which has been used against Mr. Meighen, Mr. Drew, Mr. Bracken and all other Conservative leaders, with Mr. Diefenbaker being no exception. It is one of their tricks in trade, when in their references to the matter of the exchange problem they try to leave the impression that there was fraud.

Now they are launching a new attack on the Prime Minister for his stand at the commonwealth conference and his position so far as Great Britain and the commonwealth are concerned.

Sometimes when we are talking factually it is interesting to go to the authorities on a subject, and in this regard I want to refer to a book, "The Commonwealth and Europe", published by The Economist Intelligence Unit, sponsored by Britain in Europe Limited. It is a book prepared by *The Economist* with the assistance of over 100 leading companies and economists, not only in the commonwealth but in the United States. It refers to what they have to say so far as the position of the Conservative party is concerned, when they deal with the commonwealth, either economically or politically. But before I quote it I wish to say that, listening to Liberal speakers, it seems to me they have underestimated the problems so far as Great Britain joining the European common market is concerned.

Lord Salter has this to say in the foreword:

> Britain's relationship with Western Europe is one of the great political issues of our time. Problems arising from its economic aspects have been given an especial urgency by the formation of the European economic community of the Six and now, in a more acute form, by its decision to accelerate the process of its integration. A new element in the situation was recently introduced by the formation of the European free trade association of the Seven, including Britain. A basis of agreement has not so far been found for a single market covering the whole of Western Europe. Major decisions of policy are involved on both sides, both of a political and an economic nature.

What has been the stand of this party? Why am I a Conservative so far as the commonwealth is concerned? Let us look in this same book to see what these leading economists have to say. Who was responsible for the preference on certain products that come from the commonwealth and are shipped to Britain and vice versa in our trade relations?

I quote again, this time, from page 10:

> The origins of the system date back to the beginning of this century when some commonwealth countries began to give preferential tariff treatment to British goods.

So the preference pattern first comes into play in the early 1900's.

An hon. Member: 1897.

Mr. Woolliams:

> In 1919 Britain in turn gave preference to goods imported from the commonwealth and liable to revenue duties, while during the twenties further preferences were granted.

But this is what I wish to emphasize:

It was in 1932, with the passing of the import duties act and the negotiation of reciprocal preferences at Ottawa between overseas commonwealth countries as well as between the U.K. and the rest of the commonwealth that the system reached its fullest development.

And who brought about that conference of 1932? None other than the Conservative party of Canada. The Liberals attacked the Prime Minister (Mr. Diefenbaker) for his part in the London conference of prime ministers. They attacked him for the stand he took in those negotiations. But, surely, when he went to that conference he was speaking for the farmers of western Canada, and for the farmers of eastern Canada in an effort to preserve these preferences which have been built up from their foundation through the efforts of this Conservative party.

It may yet be possible for Britain to join the common market while retaining the system of preferences which this party took so large a part in developing. As a western Canadian I know that we have other industries besides grain. There is, for example, the oil industry, the production of oil and natural gas which has brought prosperity to Alberta, particularly. Nevertheless our primary industry on the prairies is agriculture. This is what I want the Liberals to answer —and I am sorry the hon. member for Assiniboia (Mr. Argue) is not in his place: what effect would Britain's entry have on the sale of western wheat to the United Kingdom in the absence of the preferences which were built up by this party and this government?

This is what the Economist Intelligence Unit has to say about this on page 95—I would prefer to quote from people who have studied this question, in this case the compilers of this book called "The Commonwealth and Europe".

Three grains, wheat, barley and maize, account for the bulk of world trade in cereals and of two out of the three the commonwealth is a major supplier providing almost two fifths of world exports of wheat and barley . . .

The two leading wheat exporters produce different kinds of grain. Most of Canada's exports, whether grain or flour, are based on high quality high protein wheat which is often combined with domestically produced grain of inferior quality in importing countries to satisfy consumer preference for particular types of bread. So long as this preference persists, Canada has a fairly secure hold on world grain markets.

That is why the Prime Minister spoke up at that conference in London on behalf of Canada. Of course, there is a chain effect attached to this. If the farmers do well, the businessmen in the urban centres and in the cities do well. I know hon. members from the east of Canada appreciate that among the best customers for manufactured goods are the western farmers who buy farm machines. Combines today cost between $11,000 and $12,000. No one spends his money better than the western farmer when prices are correct and when he receives the proper value of his production. Thus I say that when the Prime Minister spoke out in London in this regard he was speaking for Canada. He was presenting the facts of Canada's case. On a future occasion the right hon. gentleman will be dealing with this subject again, as he himself said. I want merely to place the facts before the house in proper perspective. Again I am sorry that the hon. member for Assiniboia is not in his place. It may be the reason why the Liberals have had to borrow a socialist to explain their policy in western Canada is because of the position they have taken on this and other matters.

What do the people in the grain business have to say about this? What do the elevator companies or the pool operators have to say? They draw attention to the same problem as is pointed out by the authors of the book from which I have been quoting. This is from the Searle Grain Company's report dated September 26, 1962:

With all this, one does get apprehensive that French wheat will flood into the United Kingdom in a volume which, conceivably, could embarrass millers as well as farmers. British millers are not averse to picking up this wheat at a price but we can have too much of it . . .The point is, of course, that had we already joined the common market we would be expected to absorb the French wheat surplus—

This would mean that our exports of grain to Britain would be largely cut off unless we could find other markets.

This is not a new problem. I have heard hon. members from the eastern parts of Canada say: "Not wheat again!" Before my time in this house there were debates on the question of wheat which lasted three or four weeks. The trade in wheat and the disposal of wheat has always presented a problem to every government. If we did not negotiate properly at the table we could lose the largest purchaser of our grain, namely Great Britain. That is what the wheat pools point out.

I listened to what the hon. member for Assiniboia had to say. I shall have to borrow a phrase used by the Prime Minister and describe the speech he made yesterday as a warmed-over version of the speech he used to make when he was with the socialists. I checked, in fact, and found it was almost identical with the one he made in 1957 against the Liberals. Let us take a glance at the agricultural picture when this government took office. We had a surplus of 700 million bushels of wheat, more or less. Wheat was piled up on the farms all over western Canada, in temporary sheds made up of straw, in barns or old houses or even right in the open. Quotas

were at one or two bushels and farmers could not even sell their grain to meet operating expenses. They were even denied cash advances. That was the state of the wheat producers at that time and, of course, when the wheat farmer cannot sell his grain he gets into the production of other commodities such as cattle and hogs. Thus he begins to compete against the rancher. The whole process, as I say, has a chain effect.

Credit can be given to the Minister of National Defence (Mr. Harkness), the former minister of agriculture, and in particular to the present Minister of Agriculture (Mr. Hamilton), for their work in disposing of this vast surplus which was built up during the administration of the Liberals. Let us see what some of the newspapers have to say about this.

An hon. Member: Choose a good one.

Mr. Woolliams: It will be a good one, no doubt about that. I always choose the best evidence. This is what the *Western Producer* had to say on April 5: "Wheat board makes record final payment". Again, on April 12, the same paper printed an article with the headline: "Increase in wheat exports seen helping entire nation". The *Manitoba Co-Operator* printed an article on April 5 saying: "February wheat exports largest since early 20's". Yet despite all this the hon. member for Assiniboia said the export of grain has not been as great over a period of years as it was when the Liberals were in power.

The hon. member for Assiniboia said that the export of grain was not as great over a given period of years as it was during the same period under the Liberals, but he did not say that when he sat in the socialist ranks over in the corner. Mr. Speaker, let us get the facts as far as exports of wheat are concerned. I do not think that the Liberals, especially the hon. member for Assiniboia, would challenge the budget report of the Alberta wheat pool. These figures are taken from the board of grain commissioners. I do not know whether the hon. member for Assiniboia has seen them; he may have got his figures from the hon. member for Essex East (Mr. Martin). They seem to have their own dominion bureau of statistics. According to the wheat pool budget—

> —Canadian exports of wheat, including flour and bagged seed wheat, totalled 357.8 million bushels in the 1961-62 crop season, according to preliminary figures released by the board of grain commissioners. This represents a gain of about 3.5 million bushels over the previous year.
>
> Wheat exports, excluding flour, amounted to 322.7 million—second highest in history, and 11.7 million better than in the 1960-61 season.

So I say without reservation that the exports for 1961-62, due to the efforts of the present Minister of Agriculture, were the highest except for one other year in the history of Canada.

Now, Mr. Speaker, in view of the allegations of misrepresentation and fraud which have been made I want to deal with one other matter. I think that the biggest joke of the campaign was the promise which was made by the leader of the Liberals. After he embraced the hon. member for Assiniboia on the plains of Assiniboia, he must have whispered to him: "Tell the western farmers $2 a bushel for No. 1 northern wheat". The biggest part of the joke is, very briefly, this: that at that time wheat was $1.98 a bushel at the lakehead and $2.19 or $2.06 at Vancouver. So that he actually promised the farmers less than what they were getting for their wheat when the law of supply and demand was in operation.

Mr. Argue: That is not true.

Mr. Woolliams: Well, my good friend says that that is not true, but the misrepresentation goes even further than that, because he did not tell his leader all the facts about wheat. They promised the western farmers $2 for No. 1 wheat. Mr. Speaker, as you know—

Mr. Argue: For No. 1 northern.

Mr. Woolliams: Yes, I know; I have been raised on a farm too. But he had promised the farmers $2 for No. 1 northern wheat. In fact only 5 or 10 per cent of the wheat produced on the prairies today happens to be No. 1 northern. Now, if that is not a half-truth on his part, then there never was one in western Canada. If the hon. member says that is not correct, I should like him to read from the Searle grain report of May 30, 1962. This is what they say and, of course, they are independent.

> A promise of $2 wheat for the next three years, held out to prairie farmers recently (referring, of course, to the price of No. 1 Northern basis Fort William-Port Arthur)—

That was another misrepresentation; they did not say whether it was $2 in the bins, $2 in the elevators, or $2 at the lakehead, and there is certainly a big difference. The report goes on:

> None the less there are some who feel that the promise could return to haunt those who made it unless the government in power would be prepared, if necessary, to make up the difference, through subsidy, between world prices and the $2 level. This is not to say, however, that such a price level could not be achieved.

Then the same article goes on to say:

> Most of the recent increase in the price of wheat was attributable to successive changes in the value of the Canadian dollar.

I do not suppose that the hon. member for Assiniboia told his constituents that when he was running for election.

> While the minimum and maximum prices under the new IWA are to be higher commencing August 1, 1962, with a ceiling of $2.02½ U.S. funds (corresponding to about $2.19 Canadian funds at current levels), there is absolutely no assurance that the price of wheat will approach the maximum, let alone reach it. At the moment the price of No. 1 northern, basis in store lakehead, is $1,98⅜ per bushel.

Yet the hon. member for Assiniboia says that is not true. I just do not know where he got his facts. But I am very glad he interrupted me, because it is rather interesting that the hon. member made some very unusual statements in the press about Liberal agriculture policy. I would just like to place them on record, so that he will be able to read them tomorrow morning and it will save him doing his homework. Speaking in the house in 1957, when he was then critical of the Liberal government before the Conservatives came into power, he said this—and farmers do not forget these things, Mr. Speaker; they have long memories—

> I believe that the only thing standing between the producers of the prairies and cash advances is the ingrown and slavish loyalty of western Liberal members to the party whip.

In October, 1960 Mr. Argue was reported as saying this; that the farmers—

> —will never forget that it was the Liberal party, by the removal of price control and by its tragic loss of overseas markets, that placed agriculture in its present position. The cost price squeeze initiated by a Liberal administration remains agriculture's greatest curse.

Now, isn't that wonderful. Browning could not have written better poetry. Then he said this:

> I challenge the Leader of the Opposition to defend on the public platform, if he can, the dismal failure of 22 years of Liberal administration to meet agricultural problems as well as his own record in this regard both as a member of the former Liberal government and as leader of the Liberal party.

In November, 1958 Mr. Argue said:

> The Liberal party is not going anywhere because its leader, Pearson, does not know where he is going.

Mr. Speaker, we are asked to believe, because of that embrace on the plains of Assiniboia by the present member of Assiniboia, the new Liberal member from that area, that the Liberal leader does know now where he is going.

Mr. Argue: They used all that during the campaign. They even paid to put it in the newspapers.

Mr. Woolliams: Yes that is true, and I know the kind of campaign on the part of the hon. member of Assiniboia. I am glad that he interrupted me. Hon. members heard him last night when he talked about hogs. He told us what the government had done to the hog producers. At that very moment hogs hit a new peak in Calgary; they are $32.10 a hundredweight.

Now, Mr. Speaker, I know my time is limited and I want to embark upon another subject for a few moments, so I will leave agriculture. As I have only got a few moments to deal with it I will forget about my notes. We have heard a lot about deficit spending, and we have heard the promises of the Liberals that it will cost another $1 billion plus. But the fact is that I am one of those Canadians who believes that one of the problems of unemployment is that personal income tax and corporation taxes are so high that they cut the wages the wage earner earns and reduce the profits of small business corporations, so that the productivity of this country is reduced. I think—this is my own feeling—that before we embark upon another program of social welfare we should make certain first that business is protected, that the farmers are protected, and that the wage earners are protected. Because as one hon. member has already said, we people do not want handouts. I am one of those who believe that there is really no difference. The process may be different. Communism believes in the expropriation of property without compensation. Socialists may believe in expropriation with compensation. And with people who believe that you must have a complete welfare state; the end result is almost identical. Under that process the government runs your business. If they take 50 per cent of your profits, they are the biggest partner in that business. Not only are taxes too high in this country, but there are abuses in this regard. May I say that I am happy that, as the Prime Minister mentioned, there is a royal commission looking into this matter of taxation and investigating it, as it needs investigation. If a person is challenged by the Department of National Revenue under the process of law—and there are a great many cases in Canada—his books are seized, his records are seized and then he is asked to prove himself innocent. His bank account is tied up. In many instances he is not even in a position to hire an accountant, a lawyer or an expert to help him to arrange his affairs to show his net worth and show that it is commensurate with his income. We all realize that the collection of taxes is a difficult problem but in the tax structure these abuses exist.

There is one other abuse which I should like to mention before I sit down. I should prefer to see a capital gains tax than to see

the matter in the flux in which it is today. Businessmen who sell their investments or change their business never know, when they make that move, whether it is income under the Income Tax Act or capital gain. Sometimes, unknown to them, new rulings are made, and as a result, what they thought was capital gain is taxable. In many cases they are not able to go to the Department of National Revenue and say. "If I make this move in business, is it income or is it capital gain"? Before I take my seat I wish to make a recommendation, namely that we have a board set up so that the businessman, the farmer and others may go to the Department of National Revenue and say, "If I may move A, B, or C is this income or is it capital gain"? We cannot play ducks and drakes with the taxpayer.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but I must inform him that his time has expired.

Mr. Woolliams: I have just one brief sentence more if I may be allowed to complete my statement. I seriously believe that reform in the tax structure of this country is long overdue. As I said, it reduces the productivity of this country. That is my answer to the socialist planners in this regard. That is the real reason for unemployment. How can you expand your business when the profits from that business are going to the government to run their business?

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

Mr. Deputy Speaker: Order. I am afraid the hon. member has overrun his time and that I cannot permit a question by the hon. member unless the house gives unanimous consent.

Some hon. Members: Agreed.

Mr. Herridge: Does not the hon. member who has just taken his seat know that the Social Credit government of British Columbia believes in expropriation at a price determined by government without due process of law, a policy that has never been advocated by this party?

Mr. Woolliams: My answer to the hon. member is that I do not know. I never did understand Social Credit so I therefore leave it to him to come to a proper decision in the matter.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, in joining in the traditional congratulations to the mover and the seconder of the address in reply to the speech from the throne, as I do warmly, I hope neither hon. gentlemen will think that, because I am not able to agree with most of what they said, I intend any personal reflection upon them. It has never been my custom to make personal reflections. It has always been my view that a politician who cannot stand tough criticism ought not to be in public office. Although I have had a few hard knocks in public life, I may say that I have never done any whining about them.

I may say that I listened with great interest to the maiden speech made this afternoon by a very old personal friend, namely the hon. member for York South (Mr. Lewis). I congratulate him on a speech which was no better than I expected it to be but quite as good. I also listened a moment or two ago to the hon member for Winnipeg North Centre (Mr. Knowles). Whether or not one agrees with him, one recognizes him as a great parliamentarian, though perhaps not often a very constructive one. However, I was appalled by something that was common to both their speeches. They talked in a high minded way about all kinds of things this parliament ought to do. Except for one or two things that I thought were neither historical nor just about my own party, there were very few things they said with which I do not agree. However, what I was struck by was the fact that these hon. gentlemen seem to be totally unaware of the fact that when a clear decision has not been made by the electorate—and a clear decision certainly was not made on June 18—if we are to have self-government, parliamentary government and ultimately government by the people, the first and fundamental business of this parliament is to decide, if it can do so, who the government should be; and if it cannot do so, it should remit the question to the people and let them decide. It is not for us in this house, to whatever party we belong, to say we do not think it is the right time for an election.

An hon. Member: Oh, oh.

Mr. Pickersgill: The hon. member interrupts. However, I am not going to waste my time by replying. It has been said by a great many people that this is not the right time for an election. That is not at all for us to say. It is our business either for the majority of us to give confidence to the government so that it can carry on and do so for a reasonable length of time with some assurance of continuity or, if we cannot do that, it is our business to let the people decide this matter for themselves. We should not try, by some process of superiority, to arrogate to ourselves a function which belongs to the people. That matter is more fundamental than is anything else. We shall never have full employment in this country unless we have a government that can plan—yes, plan—and manage; and

I may say that management is just as important as planning—we have had very little of it in these last five years—and manage the affairs of this country.

Mr. Knowles: Another planner; good.

Mr. Pickersgill: I was agreeing with the hon. gentleman. If he does not wish me to agree with him, that is all right. However, I think he wishes me to do so. I was glad that the hon. member for Winnipeg North Centre at the conclusion of his speech came back really to fundamentals—he saved me a certain amount in my own speech—by making part of one of the points I wished to make.

The other thing that really shocked me in the speech of the hon. member for Winnipeg North Centre was his cynical—and I did not expect it from him—suggestion that it really did not matter whether public men told the truth or not, that it really did not matter whether you could depend upon the integrity of a government. I do not agree with that view at all.

Mr. Knowles: Mr. Speaker—

Mr. Pickersgill: If the hon. member wishes to disagree with me—he knows the rules—he can do so at the end of my speech.

Mr. Knowles: I rise on a question of privilege. The hon. member knows that a question of privilege must be taken immediately. I indulged in no cynicism by word or implication—

Mr. Pickersgill: That is not a question of privilege at all.

Mr. Martin (Essex East): That is argument.

Mr. Knowles: —regarding truth being important or not. My cynicism was with respect to those two individuals, as to their particular place in history. The truth, yes; let us have it.

Some hon. Members: Sit down.

Mr. Knowles: Let us have it from the hon. member.

Mr. Pickersgill: As the hon. gentleman has been permitted to smuggle in a speech under the guise of a question of privilege, I hope I will not lose that time because I have some things to say. The hon. member can read his speech and he will see there very well what I was referring to. I was referring to the question of veracity, which the hon. gentleman did not seem to regard as very important. I am going to take an example that in itself is not important at all. Intrinsically it is of no consequence but it is such a neat example of what I am referring to that I cannot forbear referring to it. On the 1st of October, as found at page 75 of *Hansard*, the Prime Minister had this to say:

I saw the Leader of the Opposition on election night, Mr. Speaker, when he believed he was going to be occupying this seat. That is before the western farmer came in.

It just so happens that I spent the whole of that evening in the company of the Leader of the Opposition and he was not on television until after the western results were in. The Prime Minister was either having another vision or that is just another example of the accuracy of the statements he makes in the House of Commons. I might say, sir, that if anyone wants to see how the Prime Minister looked that day himself it is recorded on page 38 of *Newsweek*, the issue of July 2, and I commend it to the hon. gentlemen opposite.

Why are we moving this vote of want of confidence in the government? We are moving it because 65 per cent of the voters did so on the 18th of June.

An hon. Member: It is going up.

Mr. Pickersgill: Sixty three or 64 or 65.

Some hon. Members: Oh, oh.

Mr. Bell (Saint John-Albert): Veracity?

Mr. Pickersgill: Approximately two thirds of the voters of this country, two voters out of every three in this country, had had enough and they said that they had had enough of hon. gentlemen opposite. That, sir, would in itself be sufficient justification—the proportion was higher in my constituency—for any hon. member elected by voters that way inclined to vote want of confidence in the government.

But under our system, of course, when a situation like this arises the Queen's government must go on, and it was the Prime Minister's duty as well as his right to remain in office because he had more members than anyone else. No one questioned that at all. He would have had the right to remain in office, I believe, even if he had not had the largest number of supporters. Even if he had not he would have had the right to remain in office until the elected representatives of the people could decide the question.

But he had no right to stay in office one day longer than was necessary for parliament to make that decision. Anyone with the faintest regard for the constitutional rights of parliament or the rights of the people would have been only too anxious to get to parliament as quickly as possible, above all, the right hon. gentleman temporarily presiding over the government of this country who has talked about his love of parliament over the years. But the fact was that the Prime Minister was determined not to see this parliament until the last possible moment and to hang on to the fruits of office.

What did he do with the fruits of office which he had no right to have and for which he was a temporary trustee? He distributed them widespread among defeated candidates of the Tory party in a fashion that has never been done before even by a government with a majority. That, sir, is just one of the many things that surely make it incumbent upon us to treat a government that treats parliament this way the way it ought to be treated when there is an opportunity to do so.

There is only one parallel. The parallel, of course, as everybody knows, is the parallel of 1925 and 1926. One could go into that at great length and I would be very glad to on some occasion, but I simply want to say now that in 1925 Mr. Mackenzie King, whatever the reason may have been, did nothing but the routine business of the country until parliament had had an opportunity to pass a verdict on his government, and his lieutenant, Mr. Lapointe, sought that verdict at the first possible moment. That is precisely what hon. gentlemen opposite, if they had had any genuine regard for our British system of self-government, should have done.

That is not all. The hon. member for Winnipeg North Centre raised a point this afternoon that is almost more fundamental. The government did not keep parliament from meeting, did not hang on and push parliament aside. This government presumed to impose taxes without parliamentary sanction on June 24. They draw a parallel with what happened in 1947, a parallel which is most extraordinary in some respects. Here is what the Prime Minister said on October 2, as recorded on page 100 of *Hansard*, with regard to what was done in 1947:

> ...Mr. Abbott, the then minister of finance... imposed by order in council, for which there was no legal authority, the most drastic measures that had ever been used in connection with the economy of the country. It was the only time a law was ever made in this country by radio.

Of course, the Prime Minister ought to have known that that was not true. After all, he is a lawyer and he ought to have known that no order in council could have any force unless it did have legal authority. I cannot believe that he did not know that. I do not think he is quite that bad a lawyer.

But to give you an idea that he knew differently at another time, let me read what he said about this same legislation at the time it was before parliament in December, 1947. As found on page 189 of *Hansard* he said:

> Having regard to the fact that extraordinary powers are being asked for, I think we should have an opportunity of having brought before parliament some of the invisible incognitos who today dominate this government, who give it advice.

Mr. McCleave: That was you.

Mr. Pickersgill: Just wait. I would advise the hon. member for Halifax to keep quiet. I continue:

> They were wrong in July, 1946. Is there any reason to believe that they were right in November, 1947? I suggest to the Minister of Justice that in order to bring back to the House of Commons its powers we have brought before a committee of this house Dr. Clark, Mr. Towers, Mr. Rasminsky, and other members of that group.
>
> Mr. Adamson: Mr. Bryce also.
>
> Mr. Diefenbaker: They should be brought before parliament and examined to ascertain whether they made the recommendation to the government on November 17 or prior thereto or whether it was the government that suggested to them the means whereby they could utilize the Foreign Exchange Control Act for the purposes they had in view.

In other words, he knew there was a Foreign Exchange Control Act in 1947. He told this house the other day there was no legal authority. Does that show any respect for the truth? It does not. How can you depend on any statement by a man who would say that? You know, the Prime Minister talks about invisible incognitos. Of course, they were public servants. We know what the Prime Minister thinks about public servants. They belong to that same group of public servants as a certain gentleman who is incognito in this house. I refer to that recent addition to the ministry, the barefoot boy from Bay street. He is one of the people who, according to the Prime Minister, were trampling the liberties of this country under the late C. D. Howe during the war years; that is the incognito who is running the government of Canada today. He is not in this house. He is not facing the elected representatives of the people. I say that we will want the Minister of Justice (Mr. Fleming) to bring him before the banking and commerce committee. We will want him to bring officials of the Department of Finance, as the Prime Minister said we should in 1947. We will want him to bring them all here. We will want to find out when they started to prepare this austerity program.

We know one thing. We know that the day parliament was dissolved or the following day, the Minister of Finance told the departments to cut $50 million out of the estimates while this government was pretending that they were going to spend that money in order to buy votes by the pretense of works that they never intended to carry out.

Mr. Fleming (Eglinton): That is not true.

Mr. Pickersgill: The minister knows perfectly well that is true; that process was started. There are too many people in Ottawa who knew about it, and in other places than Ottawa. I have not the faintest doubt but that on the day the government put a rubber

peg on the dollar, May 3, they started to prepare this austerity program. Perhaps the then minister of finance did not tell the Prime Minister. Perhaps the officials were smart enough not even to tell the then minister of finance in order to save him from embarrassment. I was a public servant for a very long time. I know something about how long it takes to do these things. I know quite well that this order in council and the policy based thereon could not possibly have been prepared between the 20th or 21st, was it, when the distinguished Minister of Agriculture (Mr. Hamilton) said there was no crisis, and the date of the order. He was a member of the cabinet. In those four days we are asked by these truth tellers to believe, that that order was prepared. The minister knows quite well that the preparation of this whole program began at least as early as the pegging of the dollar, probably earlier.

Mr. Fleming (Eglinton): That is false; that is a false statement.

Mr. Pickersgill: The minister can get up and say it is false. He can get up and make a speech in this debate if he dares. He has been repudiated and cast aside by the Prime Minister. He has served his purpose and now he is on the rubbish heap. Moreover, I say that there is every reason to believe the election was brought on when it was, every reason to believe we were denied a budget debate, every reason to believe the government did not proceed with the budget resolutions because the minister knew full well that a financial crisis was coming and hoped to get the election over before the crisis and fool the people.

Mr. Fleming (Eglinton): Every word of that is false.

Mr. Pickersgill: This government had many supporters. There was no urgency for an election at that particular moment. This budgetary program was left suspended in mid air; there was extraordinary haste. What was the reason for it? The reason was that they could see, they had been warned, a crisis was coming. We know some of these officials. We know what competent people they are.

Of course, you know, we heard the Prime Minister on January 20, 1958, say "They hid it; they concealed it." This is exactly what they did. They knew full well when the budget was brought down that there was a critical situation in foreign exchange. As a matter of fact, I took the trouble to read the section of the minister's budget speech relating to exchange just before I undertook to make this speech today. It is quite clear from a reading of that budget speech that the minister already had an inkling of the crisis.

Mr. Fleming (Eglinton): That is untrue.

Mr. Pickersgill: There is another thing that is clear. At that time, there was not the faintest intention of pegging the dollar. The situation was quite the reverse. The minister made a strong defence of the floating rate and gave very strong and compelling arguments as to why there should not be any pegging. Then, the government have the effrontery to tell us that, when the crisis came on May 3 and they had to do something; that it was planned all the time. If it was planned all the time, why was it not in the budget? Why were we not allowed to debate it? Why was it not done properly in parliament? Why did this suddenly blow up in the middle of an election?

The plain fact is, sir, that one does not have to go into any kind of detail. Ask our constituents. You do not have to ask them, they tell us. I am sure every hon. member, including a lot of backbenchers over there and perhaps a lot of frontbenchers too, have heard the same thing from their electors. How can they possibly expect anybody to vote for them after the way the government fooled us? That is what the people of this country believe because it is a fact; it is palpable and obvious.

May I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Pickersgill: Mr. Speaker, at six o'clock I was pointing out that it was absolutely incredible, and that nobody in this country believed that the government did not know there was an exchange crisis long before the election. In fact it was perfectly obvious that the dollar was pegged on May 3 as a desperate measure to stop the drain. No government would have changed the policy, announced a month before in the budget, and adopted a measure that was a clear confession that its existing policy was not working, for any other reason than because a terrible emergency existed.

The hon. member for Davenport (Mr. Gordon) pointed out some of the facts that were known to everybody at that time about that situation. That was the time, of course, when the corrective measures should have been taken. That was the time to correct the situation instead of letting it drift in the hope that they could get through the election campaign, which was the object from the beginning.

But what really knocked the peg, sir, was that incredible performance, not mentioned by the Prime Minister in his so-called account of what happened that he gave in this house, that incredible performance of the Minister of Agriculture (Mr. Hamilton) in Vancouver. I have in my hands the Toronto *Globe and Mail*, and this is what the minister was reported to have said at his press conference:

> Mr. Hamilton told a press conference the present level of 92½ cents is in effect a compromise between government members. He said some were in favour of 95 cents while others wanted it pegged at 90 cents.
>
> The 90 cent level, he said, is a "natural peg which is defensible with our negative trade balance".

That statement was apparently made on June 8, and it appeared in the *Globe and Mail* on June 9. But what do we find in the Prime Minister's speech? The Prime Minister mentioned the date, June 10, and he said it was because of the opposition that he did this. He did not say a word about this minister, this man who was privy to the discussions and who said the dollar should not be kept at 92½ cents but should go down to 90 cents. No, there was not a word about that. Instead what the Prime Minister said was this:

> During the first week of June the weakness in the exchange market continued.

"Continued." After what the Minister of Agriculture said, what else could have happened?

> I consulted the then minister of finance—

—said the Prime Minister—

> —on the matter and on June 10 he issued an official statement making it very clear that the government could and would maintain the Canadian dollar at the 92½ cents exchange rate.

We know what would have happened in Great Britain or in any other country with respect for the parliamentary tradition. The Minister of Agriculture would not have been Minister of Agriculture on June 9. He would have been out of the cabinet for starting a drain on the dollar and saying he did not agree with his colleagues. That is what parliamentary government, what our British system of parliamentary government, means.

Instead of the Prime Minister repudiating him he put up the Minister of Finance to contradict him, so that one minister contradicts another, and which of them do you believe? The average person, knowing the Prime Minister's love for the Minister of Finance, and knowing his much greater affection for the Minister of Agriculture, would naturally have believed the Minister of Agriculture, and that is all that might have been needed. This dereliction of duty, this contempt by the Prime Minister of the traditions of cabinet government, of cabinet solidarity, of budget secrecy, of secrecy about exchange matters—this performance was enough to destroy the money of any country because it absolutely destroyed any confidence in this government.

If anything more was needed it was that incredible speech by the Prime Minister himself on television, on June 14, when he related how everything was rosy, that there was no crisis, and that we were going to have full employment in August, the full employment which the Minister of Labour told us about today that had not been achieved. When the Prime Minister made that airy fairy speech perhaps it might have been swallowed by the general public, but I am sure Senator McCutcheon was not fooled by it and, sir, it was not the Leader of the Opposition, the hon. member for Essex East, the hon. member for Laurier or myself who exported those Canadian dollars out of the country. It was the friends of Senator McCutcheon in Toronto who had lost confidence in this government. We did not have the money to send out of the country. It was the Prime Minister's newfound friends.

Mr. Starr: You were getting your money from the United States at that time.

Mr. Pickersgill: And what did they do about it? They finally made this great discovery after the election. They imposed taxes by order in council under statutes which were never intended for the purpose and, unlike Mr. Abbott, who promptly brought his measures to parliament and gave parliament every opportunity to approve it, there was no mention of it in the speech from the throne—no suggestion that parliament should approve this taxation. We just have taxation by television and order in council. This great champion of parliament imposes taxation by television and order in council, and when parliament meets there is no suggestion that we should have any right to approve it. This is the government that the hon. member for Peace River is going to support—the most dismal failure, he said, in the history of Canada—a government which he said will give us 20 per cent unemployment this winter. The hon. member for Peace River is going to vote for a government which he said will give us 20 per cent unemployment.

Mr. Thompson: There is just one question. I think the hon. member should study his geography a little better.

Mr. Pickersgill: I beg the hon. gentleman's pardon. If I made—

Mr. Deputy Speaker: Order. The hon. gentleman ran over his allotted time and accordingly there will have to be unanimous consent by the house if he is to continue.

Mr. Pickersgill: It was a question of privilege.

Mr. Thompson: I will say no more.

Mr. Deputy Speaker: I will ask the house for unanimous consent if the hon. gentleman will take his seat.

Some hon. Members: No.

Mr. Pickersgill: I rise on a question of privilege.

Mr. Deputy Speaker: I think I have the floor when I am on my feet, and I would ask hon. members to co-operate. If the hon. member for Bonavista-Twillingate is rising on a question of privilege I will hear him.

Mr. Pickersgill: I merely wanted to apologize to the hon. member for Red Deer. I meant the hon. member for Red Deer, and I inadvertently said "Peace River".

Mr. Frank McGee (York-Scarborough): Mr. Speaker—

Some hon. Members: Come on, senator.

Mr. McGee: I see the pipe line boys are back again, are they?

Some hon. Members: Sit down, senator.

Mr. McGee: If the pipe line boys would sit down for the moment—

Mr. Habel: Give way to your minister.

Mr. Deputy Speaker: I think the hon. member for York-Scarborough should have the same attention as the hon. member for Bonavista-Twillingate.

Mr. McGee: I am rising to speak on the question of privilege raised by the hon. member for Bonavista-Twillingate. Bearing in mind the hon. member's concern for the rules of parliament, I wonder if he would apologize to the Chair for turning his back on the Speaker?

Mr. Pickersgill: I am delighted to do so, sir.

(Translation):

Hon. Donald M. Fleming (Minister of Justice): Mr. Speaker, at the outset of my remarks tonight, I should like to congratulate you most sincerely on your appointment to this exalted position. We are all convinced that you are worthy of this great honour.

I should also like to extend my congratulations to the mover (Mr. Chaplin) and the seconder (Mr. Vincent) of the address. Every member of this house will recognize that they performed their duties with distinction.

(Text):

The votes to which the house is proceeding tonight at the conclusion of this debate are far more serious than those which normally await the verdict of the house. A grave charge has been made by hon. members opposite that a major political fraud has been perpetrated accompanied by concealment and deceit.

Mr. Speaker, I will offer you incontestable evidence that this charge has been supported only by false statements, false accusations and base innuendoes. There has been on the part of hon. members opposite, with their continued obstructive behaviour just now evidenced, a further descent to the lowest kind of tactics that I am sure any of us have seen in this house, even those who have been here longest.

An hon. Member: Except you and the flag.

Mr. Fleming (Eglinton): I am asking this honourable house not merely to express its confidence in the government but at the same time to give effective expression to the vindication of an hon. member of this house from these base charges and accusations.

These attacks on the Prime Minister are not new. They have been going on for a long time. The member who just took his seat after that wretched performance of his, here, was one of the first to initiate this kind of personal attack. We had it in my riding during the campaign. The Liberal candidate there made this statement—"Members of the present administration may be prepared to set aside their Christian ethics in the power struggle"—

Some hon. Members: Shame.

Mr. Fleming (Eglinton): Again, he said: "The Prime Minister's treatment of the hidden report issue was basically dishonest". Note that word as applied to a Christian gentleman who has always maintained in his public and private life the highest standards. This same Liberal candidate also said that the government—here are his words—was "willing to do anything, however sordid, to attain its political ends." It is to that kind of abuse that we ask the house tonight to offer an effective and telling reply.

We have witnessed a descent to a tactic of character assassination and if there is any tactic which is more quickly guaranteed to create political scepticism in the minds of the Canadian public, I should be greatly surprised. There is nothing baser in that category.

We are going to see a vote on the New Democratic party amendment. The hon. members who have moved it will be the first to say that it contemplates socialist planning for Canada.

Mr. Speaker, we shall see how hon. members opposite stand by their principles when they come to a vote on an expression of favour for socialist standing in Canada. I predict that such is the appetite for power

of hon. members opposite in the official opposition that they will swallow that amendment.

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): Mr. Speaker, I do not mind this raucous noise opposite, but I hope to have fair value on my time, which is limited.

I propose tonight, for those who want the truth and the evidence, to review the circumstances leading up to the exchange emergency that we faced in June. The charge that has been made—and I will not flinch from any feature of it, I shall go right down the line—is that there was a crisis before the end of the election campaign and that the government knew or ought to have known about it; that the government ought to have proclaimed the existence of that crisis; and that the government is responsible for the crisis and for the concealment of it. I hope, Mr. Speaker, I have not omitted any portion of those charges.

Now, what is the background? Let me start with 1947. There was over a period of 11 months a deterioration of Canada's exchange reserves position. The reserves at that time dropped $750 million until there was only something like $480 million left before the government of that day recognized the existence of an emergency. Now, we were told, and have been told again this afternoon by the hon. member for Bonavista-Twillingate, that the minister of finance of that time got up in parliament—these were the words of the Leader of the Opposition—told them all the facts, and said what he would do. There were three weeks that intervened before the minister of finance did that. What the minister of finance did was to go on the radio and announce a budget by radio, including the imposition of taxes, and those imposts were applied from midnight that same night at the border. The whole measure was illegal and parliament had to validate those measures months afterwards. That is what they did.

Mr. Speaker, these are the men opposite who claim to be the champions of parliament. They say that parliament should have been called earlier. Parliament has been called. What do they want to do? They say: "Off with the head of parliament at once". They wanted to have parliament dissolved after the vote last Tuesday night. They will be the happiest people in the world if parliament is dissolved tonight through an adverse vote. These are the men who pretend to be the champions of parliament. These Liberals are no more champions of parliament than the Liberal party in some of their expressions have been champions of truth in recent times.

That was the record in 1947, Mr. Speaker. The measures which were applied by the government at that time were much more severe than the measures which we took in June, and they lasted for a very long time. Indeed, they lasted for the better part of two years.

Mr. Pickersgill: They were approved by parliament.

Mr. Fleming (Eglinton): Yes, in the end, Mr. Speaker.

Mr. Pickersgill: In the beginning.

Mr. Fleming (Eglinton): The majority of those days was whipped into line months afterwards, but in the meantime the impositions had been illegally applied.

Now I move on to 1950. In 1950 the Canadian government, having up to that time endeavoured twice to peg the dollar at a fixed value, first at par in terms of the U.S. dollar and later at a 10 per cent discount, found itself, as it thought, unable in the light of the exchange crisis to maintain a pegged rate, and so the dollar was allowed to float free. From October, 1950 until May, 1962 the external value of the Canadian dollar was established in the exchange markets by the interaction of the forces of supply and demand. The decision in 1950 to permit the rate to fluctuate in response to market forces was accepted by the international monetary fund in recognition of Canada's unique circumstances. It was, however, announced that Canada would return to a fixed exchange rate when the circumstances were right. From time to time in the period since 1950 the fund authorities expressed the hope that Canada might find it practicable to rejoin the ranks of those member countries who were in full conformity with Article IV of the fund agreement.

So, Mr. Speaker, we now move on to 1961. In June of that year I announced in my budget that the government considered it appropriate that the external value of the dollar should be reduced to a discount, and if necessary was prepared to use purchases of exchange for the purpose in order to move the Canadian dollar to a significant discount. Well, Mr. Speaker, the Canadian dollar did move to a significant discount. It moved in an orderly manner, in a satisfactory way, and the results accomplished were highly beneficial to Canada.

It is said that there was manipulation on the part of the government of the value of the dollar. It was said in this debate that the minister of finance began to manipulate the dollar by buying U.S. dollars. Mr. Speaker, there was no manipulation. Those charges are false. They have always been false. They were false in the last session as they are false in

this one. Mr. Speaker, I said that the exchange fund would, if necessary, be used to purchase foreign exchange and thus influence the exchange rate. As it turned out, this was not—and I repeat not—necessary. For most of the period between June 1961 and May 1962 the Canadian dollar moved within a range of 3 to 5 per cent discount on the U.S. dollar, and the exchange fund interventions continued to be directed towards moderating movements in the rate, not towards initiating such movements.

Mr. Benidickson: It was manipulated the other way.

Mr. Fleming (Eglinton): There was no manipulation at all. It was the use of the fund reserves in the way that they had been used for years.

Now we move forward to the budget speech of April 10, 1962. I made reference there to this problem of the external rate because already there had been intimations from the international monetary fund that they wished us to peg the rate to bring ourselves into conformity with Article IV of the fund agreement. Mr. Speaker, let me say in the light of the utterly irresponsible statements made in this house today by the hon. member for Bonavista-Twillingate that there was no exchange crisis before dissolution of parliament on April 18. That is what he was saying this afternoon. The fact is that when I delivered that budget speech on April 10 we were well aware that the fund wanted us to conform to Article IV, and when I spoke in that budget debate I was saying to the fund as well as to this house that we did not want the fund to press us into any hasty action. We well remembered the ill-starred attempt of the former government to maintain fixed rates during the period from 1946 to 1950. We did not want the fund to force us to take an immature decision. Well, Mr. Speaker, there was no pressure on the dollar before the dissolution of this house came on April 18.

Mr. Speaker, the operations of the exchange fund were not extensive in the early part of April. It was at the end of April that pressure began to develop. Here I must begin a series of contradictions of things which have been said in this house by hon. members opposite in quite irresponsible statements we have heard from them during the course of this debate.

First of all, it was said that Mr. Rasminsky, the governor of the Bank of Canada—this was said by the Leader of the Opposition—was advising investment dealers to borrow in the United States at that time. Mr. Rasminsky did not say that. What he said was that the Bank of Canada was no longer asking them to refrain from borrowing in the United States.

This is an example of the way in which hon. members opposite have been skating around the truth and twisting it just enough to serve their unworthy purposes.

The next thing that has been said by hon. members opposite, in their irresponsible way, is that after dissolution I ordered a $50 million cut in the expenditures contemplated in the book of estimates. Mr. Speaker, on April 10 I presented to parliament in the budget speech a complete record that took account of all the expenditures that we had at that time decided we would ask parliament to vote. That decision was taken before the budget speech. The budget speech reflected in every particular every cent the government had decided to take off that book of estimates in asking parliament to deal with it.

Mr. Pickersgill: You slipped up.

Mr. Fleming (Eglinton): We now come to the end of April and the beginning of May. I am not going to pay much attention to the hon. member for Bonavista-Twillingate. It will take a while for his frenzy to subside.

Mr. Pickersgill: Of course that is not a personal attack.

Mr. Fleming (Eglinton): At the very end of April uncertainty developed in the market and speculation entered. Pressures developed. We went to the international monetary fund and asked them for approval of a rate of 92½ cents and they gave it their very warm approval. That was a realistic rate, Mr. Speaker. It had been carefully considered and the executive board of the international monetary fund, which is composed of some of the most eminent monetary authorities in the world, gave that approval after careful consideration.

Here is another of these false charges. It was said this morning by the hon. member for Davenport (Mr. Gordon)—and I welcome him to this house; I am glad he is out in the open now—that Canada was forced to appeal to the fund for aid and to accept as a condition the abandonment of the floating rate. I deny that statement completely. It is untrue. We did not go to the fund for aid. We went to the fund for approval of a rate that we ourselves had decided beforehand of 92½ cents and they gave it their warm approval. No conditions were imposed. They approved all that we asked. Mr. Speaker, there was no appeal to the fund for aid. It was Canada's decision, the decision of this government, to fix that rate. I ask the hon. member opposite to ask himself if this is a responsible course for him to follow in making reckless misstatements of that kind.

The next misstatement was by the Leader of the Opposition. He said that devaluation which occurred on the evening of May 2 did

not stop the run on the dollar. That statement is untrue. The fact is that devaluation, the pegging of the rate on the dollar, did stop the run. It stopped it cold. I give a flat denial to that statement of the Leader of the Opposition. Exchange transactions during the month of May were not extensive and we did not lose reserves in May.

I come to the next misstatement. The hon. member for Davenport today said that the records of our exchange fund had been juggled. I gather that he was referring to the regular monthly statement for the month of May issued in the first week of June. I deny that baseless and unworthy charge. Those reserves were reported to the public in the same way and on the same basis as all the leading central banks in the world report exchange holdings.

I come to the next misstatement. The Leader of the Opposition says that our currency difficulties had reached crisis proportions long before June 24. I do not know what he means by "long before". He was careful not to particularize and I think I know why. But giving those words their ordinary English meaning, I deny the statement.

Mr. Martin (Essex East): Before May 23.

Mr. Fleming (Eglinton): In assessing these matters it is well to remember that the Leader of the Opposition has engaged in a good deal of special pleading. Under the hammer blows of irresponsible Liberal campaign tactics bent on destroying confidence coupled with the statement of Mr. Winters in Truro at the end of the first week of June that Canada was on the verge of bankruptcy, and having regard to the fact that there had been a major break on the New York stock exchange, perhaps it is a wonder that the drain on the Canadian exchange reserves did not begin sooner. Mr. Speaker, Canada was not on the verge of bankruptcy. That statement by Mr. Winters was false.

Mr. Hees: Like all the rest.

Mr. Fleming (Eglinton): Our government finances were in good condition.

Mr. Benidickson: Oh, oh.

Mr. Fleming (Eglinton): We had a surplus of Canadian dollars. We were more flush with cash than we had ever been in the five years during which I was minister of finance. We were in a position to forgo borrowing that had been planned. The emergency that arose was confined completely to our exchange reserves. The Canadian economy was healthy and sound. Canada was enjoying one of the greatest periods of expansion in all her history. It was against that background that the Prime Minister spoke to the people of Canada on June 14 to answer the lies that were being blatantly repeated up and down Canada by Liberal campaign orators. Our reserves at that time were still several times as large as they were in 1947 before the King government recognized the existence of any emergency or took one step or turned a finger to meet it.

Mr. Speaker, the Prime Minister has given the house full information on the subject, on the way in which, following I am sure almost inevitably on the things that Liberals were saying up and down the country, heavy sales developed over that last week end of this campaign. Sales were heavy on election day and that night, June 18, Canadians and the world were confronted with a picture that was deeply disturbing to market confidence. The government had lost its majority. Four parties divided the seats in this house. No one of them had a majority. The balance of power appeared to pass to minority groups in the house.

As everyone knows, an election campaign is always disturbing to business. It creates uncertainty. One has only to look at what happens in a general election campaign in the United States. This result on June 18 was infinitely more disturbing to confidence than a mere election campaign. There was no prospect of stability, as the market assessed the election results. On the contrary, I should say there was the prospect of political instability. The government had promised to hold the value of the Canadian dollar firm at 92½ cents U.S. It was no longer in the position, so the market felt, to assure that it could carry out that undertaking. A run set in which, day by day, that week reached enormous proportions and led the government to take extraordinary action to meet it. Had the government been elected with a clear majority it was still possible and not unlikely that confidence would have been restored and the run would have ended without need to resort to severe emergency measures.

The next statement by the Leader of the Opposition is that it was impossible to put together what he calls an austerity program in four days. Mr. Speaker, there was no austerity program put together. This is not austerity. Does anybody seriously pretend that this is austerity? Does anybody but the Leader of the Opposition think there is any justification for saying what he said, namely that the government was asking the Canadian people to tighten their belts? Mr. Speaker, that is just plain fanciful soaring on the part of the Leader of the Opposition. It is nonsense.

I therefore say that the program to meet the exchange emergency was put together in

that week following the election. The first and preliminary announcement was made on Friday morning, June 22 in the face of very heavy pressures on the Canadian dollar. The program then was not quite complete. It was completed then and announced on Sunday afternoon, June 24. Here I should like to pay a tribute to Mr. Rasminsky, the governor of the Bank of Canada and the officials of the various departments involved for their herculean labours in that week. It is evident that civil servants work harder and faster nowadays than they did when the hon. member for Bonavista-Twillingate was a civil servant.

The hon. member for Davenport very unctuously said today that he finds the government's defence unconvincing. Isn't that too bad. If he does not choose to believe the truth, then presumably he will pursue his own erroneous beliefs and propagate these myths that he has been creating in recent months. He should, however, abandon the pretence of being a judge any longer. The mind which found the truth unconvincing is now manifestly a partisan mind.

A word about the program, Mr. Speaker, and I must be very brief. The details are well known. The recovery of our reserves has been remarkable. Indeed, Mr. Per Jacobsson, executive director of the international monetary fund, speaking at the annual meeting of the governors of the fund in Washington a fortnight ago, spoke of the recovery of Canada's exchange reserves as impressive.

Mr. Gordon: What else did he say?

Mr. Fleming (Eglinton): He is a man who tells the truth. Maybe you do not understand that.

Mr. Gordon: May I ask a question?

Mr. Fleming (Eglinton): The question may be asked, how long will this exchange emergency continue?

Mr. Gordon: Will the hon. gentleman accept a question?

Mr. Fleming (Eglinton): No, I have no time. If the house wants to give me time afterwards I will be pleased to take any questions the house wishes on the subject. The question asked by many persons in Canada and abroad is, how long will the exchange program continue? That will depend, Mr. Speaker, upon the continuance of improvement. It will certainly be in effect a much shorter time than was the program initiated by the King government in 1947. But we need confidence, Mr. Speaker. We need confidence based on stability. If the government were to be defeated and another election precipitated, with the same irresponsible charges being hurled by the Liberals as in the last campaign, believe me—

An hon. Member: Nonsense.

Mr. Fleming (Eglinton): —I would not wish to see our reserve position exposed without further strengthening beyond its present position. The more utterly irresponsible talk we hear, such as that which emanated from the lips of the hon. member for Bonavista-Twillingate this afternoon, the greater will be the need of strengthening our exchange reserves against the possibility of attacks.

For that same reason these two votes tonight are very important, Mr. Speaker, as well as the course of events in this parliament in the days and weeks to come. The government will not maintain the program any longer than is strictly necessary, but long enough to ensure that there will be no repetition of what happened in June. We did not like to impose any such program any more than anybody else but it was necessary in Canada's interest, and we did not lack the courage to apply it.

An hon. Member: After the election.

Mr. Fleming (Eglinton): When the time comes when we can begin to reduce the program I can say that we shall first remove the import surcharges and then cancel the suspension of civil service salary increases.

One question remains, Mr. Speaker. Is the pegging of the Canadian dollar at 92½ cents good for Canada? We on this side of the house say yes, a thundering yes. It has brought great benefits to Canada, to Canadian producers, to the tourist trade—

Mr. Pickersgill: Ask the Minister of Agriculture.

Mr. Fleming (Eglinton): —to our balance of payments position. I ask this question and in doing so I challenge all hon. members opposite. Would the Liberals if they had the chance set aside the pegging of the Canadian dollar? They mercilessly misled the voters on this subject. They pretended that it was bad for Canada. I dare them now to deny to Canadians the benefits of the pegging of the dollar. Why, sir, did they say in the campaign the very opposite things to what they had said before? Why did the hon. member for Davenport and the hon. member for Essex East (Mr. Martin), who had urged the pegging of the Canadian dollar, say the very opposite?

An hon. Member: When?

Mr. Pickersgill: I never did that in my life.

Mr. Fleming (Eglinton): Sir, I must move now to my conclusion. We are a minority government.

Mr. Pickersgill: That is right.

Mr. Fleming (Eglinton): Yes, we know that, but we will not be a hesitant or weak government. In the speech from the throne is the greatest program of legislation put before the Canadian House of Commons at least in the last generation. Given an opportunity to proceed with this program, I venture to say that few members of the house will dare to oppose the measures that we will introduce. I think most of them will vie with each other to demonstrate their support. It is an outline, not a whole budget speech. The hon. member for Davenport (Mr. Gordon) will learn that yet.

Mr. Speaker: Order. The minister's time having expired—

Mr. Fleming (Eglinton): Mr. Speaker, I do not ask for extra time—

Mr. Pickersgill: I was not given extra time.

Mr. Fleming (Eglinton): Mr. Speaker, I do not ask—

Some hon. Members: No.

Mr. Fleming (Eglinton): —for extra time; I simply ask—

Some hon. Members: No.

Mr. Fleming (Eglinton): —one sentence. Give us your confidence and we shall accept it as a high trust.

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, this is my first opportunity to speak in this session and it is almost the anniversary of some two years that I have sat in the house opposite the last speaker and those who now surround him, formerly many more. In that two years from the date of my arrival I had come to expect that the emergency which was deepening within the country would be faced and would be met with action by the last speaker and other members on the treasury benches.

The last speaker has again told us that the emergency which was announced by the Prime Minister (Mr. Diefenbaker) following the election was an emergency which had not existed before the 18th of June. Yet he told the Canadian club of Toronto on Monday of this week that this was not the case. At that time he said:

> It has been said that at some unspecified date, but somehow prior to June 18, we should have made a public statement of the foreign exchange situation in full detail. Let me speak plainly. To do so would have been a most irresponsible act.

By his own words he indicates that the situation was in fact known to the government but says that it would have been irresponsible to let the people of Canada know about it before the election. If the words of the last speaker mean as much now as they did in the past, it is time again for the people of Canada to have the opportunity to say whether they believe his words. They will remember that this man, who charges the party of which I am proud to be a member with partial responsibility for our financial emergency and with smears against his leader, was himself responsible in that same election campaign for the most irresponsible smear ever made in public by a representative of the treasury benches. I refer to a report in the Toronto *Star* of June 16 last in which we find that at a meeting in Toronto the then minister of finance intimated that because a note had been delivered from the premier of the U.S.S.R. Russia wanted the Leader of the Opposition to be elected to power.

Some hon. Members: Shame.

Mr. Pickersgill: Talk about personal attacks.

An hon. Member: How low can you get?

Miss LaMarsh: The then minister of finance indicated that this was a "flagrant attempt" to influence the Canadian election and went on to say, "you can see what party the Russians want elected". This is nothing but McCarthyism raising its head in this country. It sits on no human shoulders to use that type of smear, and less on the shoulders of one of those who sit on the front benches of the government.

But, Mr. Speaker, there was one thing at least said by the last speaker with which I can agree. It is to that, principally, I wish to address myself. He said at the commencement of his speech and throughout it, that the votes which face this house within the hour are far more serious than most which face it. How true those words are, for what faces this house is what faces this country. On June 18, Mr. Speaker, despite the jubilation in my own riding, I watched with sorrow what happened to my country. Regardless of where any man or woman sits in this house tonight, no one could have been happy about the result. Now, at a time when there are many major issues confronting our country, singly and in concert with other western nations, now when so many decisions which have been swept under the rug for too many years must be faced, Canada is paralysed by minority government. Tonight there is an opportunity to do something about this. Tonight there will be two motions before the house to express what every member of every opposition group in this house has at

some time or another said since June 18, that the people of Canada have no confidence in that side of the house.

There is a group in this house which was not represented in the last parliament, a group that has had much to say since June 18 outside of this chamber. They speak mostly with one voice, but frequently with two. Since June 25 one of their leaders or co-leaders, who styles himself at least as leader in Quebec, has said such things as that the austerity program announced by this government following the election was a national shame. In a report in the Toronto *Star* appearing on June 25 of this year from an interview at Rouyn, Quebec, that man was quoted as saying:

> As co-leader of the party in the new House of Commons, I will fight those borrowings and fight those tight money policies that would put our people in more misery amidst plenty.

On June 27 in the Toronto *Star* appears a quotation, "Caouette favours election right off the bat." This is a report of a national television program in which the hon. member from Villeneuve (Mr. Caouette) was interviewed and in which he said:

> I am not going to go along with that line of austerity program . . . with probably new credit restrictions, probably a million and a half more unemployed next winter . . .
> . . . if it was up to me there would be an election right off the bat . . .

On June 25 in an interview with the Canadian Press, the Ottawa *Citizen* quotes the same man as having said:

> . . . the Prime Minister of Canada should find a satisfactory solution to Canada's financial problems or resign.

In an interview at Timmins on August 2 as reported in the daily press of that city, this quotation appeared also from the hon. member for Villeneuve:

> I have fought against Diefenbaker outside parliament. I will not fight for him inside it.

He was reported to have indicated that he and his party would vote for any non-confidence motion moved once parliament assembled. Although he is not at the moment present, I would ask all members of the opposition to listen to the next words with which I at least can agree.

> The country needs a stable government. The quicker we have a new election, the quicker we will have such a government.

In speech after speech throughout the summer the hon. member for Villeneuve said that he would not support the programs of this government. On August 8, he was quoted in the Ottawa *Citizen* as having made a speech in Vancouver in which he said this:

> If the Liberals come with a non-confidence motion that is only playing politics, we will not support it. But if they come with a non-confidence motion on tight money, we will fight that tight money policy with all our strength.

Throughout the month of August the same repetitious speech was made from one end of Canada to the other. The leader of the Quebec delegation, the co-leader of the national party, repeatedly said that he could not and would not support this government in office. On August 27 he was quoted in the Ottawa *Journal* as having said:

> If Mr. Diefenbaker offers us an austerity program on September 27, I will precipitate the worst crisis ever seen in the House of Commons.

Well, we have had produced to us now the throne speech, the program of this minority government. What has the co-leader of that same group had to say? On August 27 in the Montreal *Star* the hon. member for Red Deer (Mr. Thompson) was quoted as saying:

> It would be wrong for us to support the Conservatives who have lost the confidence of the people, but since we are a responsible people we will not precipitate things.

It appears at that time at least they were in agreement. All of these clippings, and there are many, indicate that at least at that time there was a sense of responsibility in the far left corner of this house. September 27 has come and gone. There has been an amendment and a subamendment before this house, a subamendment in which all hon. members were greatly interested. The subamendment was proposed and it included words which, it must have been known, would preclude the support of other opposition parties.

Because it is a rule of our house, Mr. Speaker, that no one would attribute to any hon. member a dishonourable motion, it did not appear that, in good honour, that group had proposed a subamendment which was only a mockery of the parliamentary process. We had listened to words from the new member for Red Deer which rang in the house. He told us that Social Credit was determined to follow the role of statesmanship. This is what the hon. member said, as reported at page 120 of *Hansard*:

> We will use this opportunity to give leadership and a practical demonstration of statesmanship as against the jockeying for partisan advantages—

Those words which came from a man revealing himself for the first time in the House of Commons must be set against those that appear on the front page of tonight's Ottawa *Journal*. This is the report of the interview.

> "Do you mean—

asked the *Journal*

> —that you so drafted your own no-confidence subamendment as to compel the Liberals to support the government?"
> "Yes," he replied, "that is so."

He is quoted as saying this would "make it a lot easier, a lot more comfortable for us now to support the government on the more important issues which will be coming before the house".

An hon. Member: Ten thousand a year.

Miss LaMarsh: In my two years in the house, and longer years in politics, I have never, and I wager neither has anyone else in this chamber, heard of such a lack of good will, a lack of honour, a lack of understanding of one's responsibilities in this house.

All members of the opposition were elected for one purpose, and that was in opposition to the government.

An hon. Member: A negative approach.

Miss LaMarsh: It was negative. No group is here with a majority and, gentlemen, our country bleeds over it. It bleeds because now we need strong government. I watched for two years, and many here watched for longer, when it was necessary to have strong policies, when it was necessary to have boldness and imagination.

Mr. Webster: For 22 years.

Miss LaMarsh: And this administration, backed by the largest majority in history, more than 200 strong, dared not show that boldness and imagination.

An hon. Member: Why are you not still the government?

Miss LaMarsh: How can anyone in this chamber, or in the country, expect with reason to see boldness and imagination now when that same government hovers between life and death in every hour of this parliament? This is not a matter of amusement. We were not sent here to collect our indemnities, to live in leisure while the people of the country bleed.

Mr. Thompson: Oh, come off it Judy.

Miss LaMarsh: We are not here—at least those of us on this side—are not here for that; but in all fairness I would include all members. We are not here without personal sacrifice to ourselves. We have asked the country for confidence in each one of us, and each of us carried a partisan banner during the election. No group has obtained sufficient members to provide a strong government and now it would appear that members of the government and some other minorities are afraid to go back to the people, are afraid of the people's next vote. Indeed it appears as if one opposition party and the government are afraid that the Liberals will form the next government. Well, Mr. Speaker, I happen to believe that would be the case, but I am astonished that those in the far corner of this house have so little faith in their own philosophy that they do not believe they can come back here with the support of the people.

Mr. Thompson: Don't kid yourself.

An hon. Member: Then prove it.

Mr. Thompson: We will prove it.

Mr. Caron: Prove it tonight.

Miss LaMarsh: The hon. member for Villeneuve (Mr. Caouette) has said, according to these clippings, and he appears to have confidence, that the next time the people are called upon to vote, Social Credit will have 140 members. If that is the case what fear can there be if they are prepared tonight to support the amendment?

There was every opportunity for my party's leader, when moving this first amendment, to dress it in all sorts of Liberal phrases to take a small partisan advantage, as did the hon. member for Red Deer to ensure that no one else but the Liberals would support it; and so he might have if he was afraid of dissolution. But we seek dissolution, and why not? We seek it for the obvious reason that the people, since June 24, have not had an opportunity to say what they believe in the words of the Prime Minister and of the Minister of Finance. Do those on the treasury benches seek to have us believe them? Is that important? We are but the representatives of the people in our own constituencies.

An hon. Member: So are we.

Miss LaMarsh: Then take it to the people.

Mr. McGrath: Don't forget '58.

Miss LaMarsh: Those in the far corner of the chamber have said they will never support austerity. They have said they will never support this government; yet by the cheapest political trick seen in this house, perhaps since confederation, they have eaten their words and shown that they do not mean what they say.

Mr. Thompson: Frustration on frustration.

Miss LaMarsh: But this evening they have an opportunity to redeem themselves, an opportunity to show to the people who sent them here that what they said up to June 18 they meant, or else how will the member for Red Deer and the other members behind him, go back and explain to their constituents why they are supporting this government. The very thing they went out on the hustings and sought to destroy they are now responsible for upholding.

Mr. Speaker, we ask those members to consider, as we did on Tuesday night of this

week, the effect of what they will be doing if they do not support this amendment. On Tuesday night they were asked to remove five political words from their amendment. They did not do it. We are asking them tonight to support an amendment which says simply that those who represent almost two-thirds of the people in Canada, having been sent here to express our lack of confidence, do now fulfil our trust and express it by our votes.

If Social Credit seeks to be believed in those constituencies from which it sent members, or in those constituencies from which it hopes to send members, and if it does not show its lack of confidence in the government, then it can never explain its breach of trust with the people who gave it their support on June 18.

We also ask, Mr. Speaker, for the support of those at your far right. We ask for their support and we are prepared to give them ours.

Some hon. Members: Oh, oh.

Miss LaMarsh: They have avoided the cheap trick of Social Credit in that they have not included words of pure socialist meaning.

Mr. Thompson: Political planning.

Miss LaMarsh: The words they have included deal only with a matter of planning. Well, there are many who might laugh at planning, but no man or woman can plan to marry, plan a family, plan a business, or plan a government without economic planning. It is a part of nature.

This afternoon when the words of the New Democratic party amendment were given to us by the hon. member for York South (Mr. Lewis) it was apparent that at least at this time they, like this group, sought to express their want of confidence and did not seek by devious measures to avoid doing that. It surely can be no surprise that those of us on this side of the house are prepared to accept and follow a subamendment which contains the word "planning".

My leader, on January 20, 1961, as he did frequently before that and has done since, as appears on page 1271 of *Hansard* spoke as follows:

> Mr. Speaker, at the luncheon recess, in outlining our own approach as a party to the economic, financial and fiscal problems with which I was dealing, I had emphasized the necessity for planning and for co-operation and consultation between government and other elements in our society. As a central agency for this forward planning and for the consultation which is required in the circumstances of today, instead of the limited and inadequate productivity council which the government proposes to set up, we would set up a national planning commission. We have made this proposal more than once in this house. Indeed in the last few years it has been put forward in every session from this side of the house, although I think in earlier days we called it a national commission on employment and automation. A commission of this kind would have members drawn from government, labour, management, agriculture and consumers. It would have an expert staff and it would have adequate resources.

This is only one instance of the way in which Liberals in this house in prior sessions have indicated that they feel the need of planning in our national economy. Some members of the Social Credit group have said they would never go along with planning because they do not believe in it. I would ask these members to consider a report which appeared in *Le Droit* of August 31 last, a declaration of the Roman Catholic bishop of Quebec in which appears these words:

(Translation):

> It is socialization that gives a human character to planning required by industrial society.

(Text):

It is obvious that those who lead the church at least believe in planning. All the elements of our society have indicated that there is a belief in planning, and nowhere in this subamendment appears the phrase "socialist planning" as used by the Minister of Justice (Mr. Fleming).

I listened with great interest this afternoon to the hon. member for York South (Mr. Lewis). I found myself in agreement with at least one part of his speech. He believes, as I do, that in order to get our economy moving we should not have austerity but we require, to use his words, easier money, lower interest rates, increased government investment, increased expenditure and activity on all fronts. This is the crux of the matter. This is the one thing on which all the opposition parties have indicated they are in agreement and it is the one thing this government has indicated it will not do.

It is apparent that the hon. member who spoke from the New Democratic party benches was in considerable confusion with respect to the Liberal medical care plan. It is clear from reading a transcript of his remarks that he has not yet read the plan and I would undertake, if he wishes, to send a copy to him at this time. This appears to be the greatest road block in the way of acceptance of the motion which has been proposed by the Leader of the Opposition and I say to the hon. member that if he would read that pamphlet before the vote is taken he would find this road block removed.

I have limited time but I should like to make a last appeal. Perhaps I appeal to those whose minds are already closed—to people who have already made up their minds, false to their trust. But I cannot believe that any man who sits in this chamber has so decided.

I entreat those who have said on every opportunity in the past that they would not support this government to give credence to their words by action and to join this party in voting want of confidence.

(Translation):

Mr. Robert Beaule (Quebec East): Mr. Speaker, my opening remarks in this house will be to congratulate you for the unanimous vote which carried you to the exalted post you are now occupying. I also tender my congratulations to the mover of the address in reply, the hon. member for Waterloo South (Mr. Chaplin) and to the seconder, the hon. member of Nicolet-Yamaska (Mr. Vincent).

I noticed, Mr. Speaker, that the hon. member for Niagara Falls (Miss LaMarsh) did not pay much attention to us in the past, but as she has taken 30 minutes to call attention to the Social Credit party, I may infer that we are forming a rather important group in our corner of this house.

When, last Tuesday, we introduced a subamendment asking for a balanced economy based on Social Credit principles—which was the reason for which we were elected on June 18 last—the Liberals had a chance of supporting a non-confidence motion against the government, but they did not do so. I really think that the hon. member for Niagara Falls sits in the wrong seat in this house.

(Text):

Miss LaMarsh: May I inquire to what the hon. member is referring when he said I am in a bad position in this house?

(Translation):

Mr. Beaule: She should sit opposite to me.

In the speech of the Leader of the Opposition, I did recognize the familiar style of the Liberal candidate from whom I won the election in the riding of Quebec East. Indeed, that candidate was and still is known as the personal advisor of the Liberal party.

Mr. Speaker, there is no doubt that our people do not want to return to the Liberal party.

The riding I represent in this house was the stronghold of the Liberal party for many years. It was even represented by two prime ministers, Sir Wilfrid Laurier and the Right Hon. Louis St. Laurent, as well as by another great Liberal, the Hon. Ernest Lapointe.

And if I am so proud to speak to the house, this evening, it is because the voters of my county gave me their confidence. It is indeed the victory number one in Canada to have been able to break through that Liberal wall in Quebec East.

(Text):

Mention has been made of the subamendment moved earlier by the New Democratic party. I cannot say we agree with that. We agree that economic growth is essential to progress. To this end planning is essential. But this does not mean the state planning of the socialists.

Legitimate planning comes directly from the people with guidance from government in the role of referee rather than through government regimentation superimposed from the top. The former is true democratic planning; the latter is socialism. Proper planning encourages freedom and enterprise. State domination restricts freedom, destroys initiative and is maddeningly inefficient. New Democratic party economic planning is synonymous with New Democratic party socialism. That, to us, has been made abundantly clear. We are opposed to socialism and therefore we are opposed to New Democratic party sponsored economic planning.

I might say to our hon. friends on the other side of the house that after their health planification scheme has been forced into the socialist province of Saskatchewan, not a single socialist member was elected in the last election, not even the one who will never occupy the empty seat across. That proves without any doubt that when one has tested planification, one wants to get rid of it.

Socialistic full employment cannot be accomplished without regimentation. We call to witness Dr. Eugene Forsey, Canadian Labour Congress research director and former New Democratic party card holder. Dr. Forsey made this very clear. Support of the New Democratic party full employment plan by Social Credit would imply endorsement of state socialism. We are opposed and shall so vote. Liberal support of the amendment as amended would confirm Liberal inability to frame an amendment indicating their own peculiar brand of socialism. It would constitute an endorsement of former Liberal prime minister King's declaration that socialists were nothing more than Liberals in a hurry and it would, no doubt, reflect the thinking of the present Liberal leader, who was reported as having said in Hamilton that the people should vote Liberal rather than New Democratic party because, as he said, the Liberals could give them anything that the New Democratic party could provide.

(Translation):

And now, Mr. Speaker, I take pleasure in submitting to the house another very important issue. If we refer to section 2A of the Canadian Bill of Rights, we read the following: Bill guaranteeing to the Canadian citizens the right to the security of the person which is not endangered today in Canada.

On the other hand, it contains no effective provision for guaranteeing work in the agreements between employers and employees.

The right, for a citizen, to seek a job, the assurance of being able to keep such a job without the assistance or the intervention of a third party, shall also have to be an inalienable right in a free democracy.

We owe Canada a great loyalty, that of the labourer. I believe the time has come when the federal government should take steps to amend the labour code. We do not want to impose constitutions to the labourers, but I feel it is necessary to add provisions to the bill of rights so as to protect the Canadian workers, the men who want to work.

Mr. Speaker, I long for the day when our workers will enjoy the basic freedom of electing themselves their leaders and of seeing to it that they have leaders where leaders are needed. In this regard, I should like to refer to the constitution of the brotherhood of railroad trainmen, where I find, in page 10, the following statement:

(Text):

A non-insurance member is not eligible to serve in any office in the brotherhood which requires membership in the insurance department as a qualification, and further should not be liable for tuberclosis assessments or entitled to benefit in a tuberclosis division.

(Translation):

I wonder whether this is not an indirect means of selling insurance.

At this stage of my comments, Mr. Speaker, I could summarize hundreds of letters from railroad employees in which they criticize their own union.

A railway employee writes me:

As a fellow worker, I should like to draw your attention to the dictatorial trend of the brotherhood, the American union which represents the railway employees and whose only purpose is to get our money by whatever means possible, and especially through compulsory dues.

Here is another letter:

You know that the brotherhood is nothing but an insurance company operating under the guise of a labour union.

Another letter:

We do not enjoy now the same labour conditions as other industries.

And this one:

The time has come for railway employees to take over the control of their organization.

Still another letter:

Needless to describe the control exercised on us all by those labour leaders. When the Liberal party passed the compulsory dues system, it sold us to the American dictators; the Conservative party did not have the courage to repeal that legislation.

[Mr. Beaule.]

That is why I bring all those facts before this house. I sincerely believe that when the time comes for the C.N.R. to sign labour contracts with their employees, they should first choose a really Canadian union.

I also wish to speak on behalf of the many federal employees who have been asking for many years the right to organize and to be recognized as a union by the government.

It is about time the federal government grant federal employees the right to organize and to obtain justice in their demands to the government.

I also wish to tell this house how our youth and our Canadian athletes who represented us at the Empire games have been treated in the past. In previous years, when our Canadian athletes had to represent Canada abroad, it was a real shame to see them begging all over the country the money needed to represent Canada at Empire games and Olympic games. And when those athletes came back home with bronze or silver medals, everybody hastened to congratulate them here in this house.

I know that last year the house voted a substantial amount for the establishment of a permanent commission for amateur sports, but with the austerity program I think the project will be postponed to a later date. However, it is time more than ever for the federal government to appoint a commissioner of amateur sports in this country, but this commissioner should have the knowledge required and be absolutely free from any political link.

Mr. Speaker, I feel that now, in 1962, Canada should at long last belong to Canadians, and the government, following the Social Credit principles, should give our people a balanced economy in order to assure each citizen the standard of living to which he is entitled.

Mr. Speaker: Order. It being 9.30 p.m. it is my duty, pursuant to section 4 of standing order 38, to interrupt these proceedings and put forthwith the amendments before the house.

(Text):

The house divided on the amendment to the amendment (Mr. Lewis), which was negatived on the following division:

YEAS

Messrs:

Addison	Badanai
Argue	Barnett
Asselin	Batten

Bechard
Beer
Benidickson
Benson
Berger
Boucher
Boulanger
Bourque
Brewin
Brown
Burgess
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Cardin
Caron
Carter
Cashin
Chevrier
Clermont
Clunis
Cowan
Crestohl
Crossman
Davis
Denis
Deschatelets
Drouin
Drury
Dube
Dupuis
Ethier
Eudes
Fisher
Forgie
Foy
Garland
Godin
Gordon
Granger
Gray
Habel
Haidasz
Hardie, Mrs.
Harley
Hellyer
Herridge
Honey
Howard
Kelly
Knowles
Lachance
Laing
LaMarsh, Miss
Lamoureux
Laniel
Leduc
Legare
Lessard (St. Henry)
Lewis
Loiselle
Macdonald (Rosedale)
MacEachen
MacInnis
Mackasey
Macnaughton
McIlraith
McLean (Charlotte)
McMillan
McNulty
McWilliam
Martin (Essex East)
Martin (Timmins)
Mather
Matheson
Matte
Meunier
Mitchell
Munro
Nicholson
Nixon
Orlikow
Otto
Pearson
Pennell
Peters
Pickersgill
Pilon
Prittie
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Ryan
Sauve
Scott
Stewart
Tardif
Teillet
Tucker
Turner
Wahn
Walker
Webster
Whelan
Winch—118.

NAYS

Messrs:

Aiken
Alkenbrack
Balcer
Baldwin
Baskin
Beaule
Belanger
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bernier
Bigg
Bourbonnais
Boutin
Bradley
Cadieu (Meadow Lake)
Cardiff
Casselman, Mrs.
Chaplin
Chatterton
Chown
Churchill
Clancy
Coates
Cook
Cooper
Cote
Crouse
Diefenbaker
Dinsdale
Dionne
Doucett
Dumont
English
Enns
Fairclough, Mrs.
Fairweather
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Frenette
Fulton
Gagnon
Grafftey
Green
Grills
Gundlock
Hales
Halpenny
Hamilton
Hanbidge
Harkness
Hees
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Jones
Jorgenson
Kennedy
Kindt
Korchinski
Langlois
Laprise
Latulippe
Leboe
Legere
Lessard (Lake St. John)
Letourneau
Macdonald, Mrs.
MacEwan
MacLean (Queens)
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McGee
McGrath
McIntosh
McPhillips
Maltais
Mandziuk
Marcoux
Martineau
Millar
Monteith
Moore
More
Morris
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
O'Hurley
Olson
Ormiston
Ouellet
Pascoe
Patterson
Paul
Perron
Phillips
Pigeon
Plourde
Pugh
Rapp
Ricard
Robinson
Rondeau
Rowe
Roy
Rynard
Sams
Sevigny
Simpson
Skoreyko
Slogan
Smallwood
Smith (Calgary South)
Smith (Simcoe North)
Southam
Starr
Stefanson
Stenson
Thomas
Thompson
Valade
Vincent
Webb
Weichel
Winkler
Woolliams—140.

Mr. Speaker: I declare the amendment to the amendment lost. The question is on the amendment. Is it agreed that all hon. members are in for the vote?

Some hon. Members: Agreed.

The house divided on the amendment (Mr. Pearson) which was negatived on the following division:

YEAS

Messrs:

Addison
Argue
Asselin
Badanai
Barnett
Batten
Béchard
Beer
Benidickson
Benson
Berger
Boucher
Boulanger
Bourque
Brewin
Brown
Burgess
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Cardin

Divisions

Caron
Carter
Cashin
Chevrier
Clermont
Clunis
Cowan
Crestohl
Crossman
Davis
Denis
Deschatelets
Drouin
Drury
Dube
Dupuis
Ethier
Eudes
Fisher
Forgie
Foy
Garland
Godin
Gordon
Granger
Gray
Habel
Haidasz
Hardie, Mrs.
Harley
Hellyer
Herridge
Honey
Howard
Kelly
Knowles
Lachance
Laing
LaMarsh, Miss
Lamoureux
Laniel
Leduc
Legare
Lessard (St. Henry)
Lewis
Loiselle
Macdonald (Rosedale)
MacEachen
MacInnis
Mackasey
Macnaughton
McIlraith
McLean (Charlotte)
McMillan
McNulty
McWilliam
Martin (Essex East)
Martin (Timmins)
Mather
Matheson
Matte
Meunier
Mitchell
Munro
Nicholson
Nixon
Orlikow
Otto
Pearson
Pennell
Peters
Pickersgill
Pilon
Prittie
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Ryan
Sauvé
Scott
Stewart
Tardif
Teillet
Tucker
Turner
Wahn
Walker
Webster
Whelan
Winch—118.

NAYS

Messrs:

Aiken
Alkenbrack
Balcer
Baldwin
Baskin
Beaule
Belanger
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bernier
Bigg
Bourbonnais
Boutin
Bradley
Cadieu (Meadow Lake)
Cardiff
Casselman, Mrs.
Chaplin
Chatterton
Chown
Churchill
Clancy
Coates
Cook
Cooper
Côté
Crouse
Diefenbaker
Dinsdale
Dionne
Doucett
Dumont
English
Enns
Fairclough, Mrs.
Fairweather
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Frenette
Fulton
Gagnon
Grafftey
Green
Grills
Gundlock
Hales
Halpenny
Hamilton
Hanbidge
Harkness
Hees
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Jones
Jorgenson
Kennedy
Kindt
Korchinski
Langlois
Laprise
Latulippe
Leboe
Legere
Lessard (Lake St. John)
Létourneau
Macdonald, Mrs.
MacEwan
MacLean (Queens)
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McGee
McGrath
McIntosh
McPhillips
Maltais
Mandziuk
Marcoux
Martineau
Millar
Monteith
Moore
More
Morris
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
O'Hurley
Olson
Ormiston
Ouellet
Pascoe
Patterson
Paul
Perron
Phillips
Pigeon
Plourde
Pugh
Rapp
Ricard
Robinson
Rondeau
Rowe
Roy
Rynard
Sauve
Sevigny
Simpson
Skoreyko
Slogan
Smallwood
Smith (Calgary South)
Smith (Simcoe North)
Southam
Starr
Stefanson
Stenson
Thomas
Thompson
Valade
Vincent
Webb
Weichel
Winkler
Woolliams—140.

Mr. Speaker: I declare the amendment lost.

(Translation):

Mr. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, may I call it ten o'clock?

(Text):

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

HOUSE OF COMMONS

Friday, October 5, 1962

The house met at 11 a.m.

(Translation):

PRIVILEGE

MR. DUMONT—INCOME OF EASTERN FARMERS—WITHDRAWAL OF MEMBER

Mr. Bernard Dumont (Bellechasse): Mr. Speaker, I rise on a question of privilege. The Department of Agriculture informs me that, from Ontario to Newfoundland, 91,368 farms have an income of less than $1,200 per year. On an average basis of six children per family, this means that close to a million persons find themselves in dire poverty—

Mr. Speaker: Order.

Mr. Dumont: —and, back home if a farm has an income of only $1,200, it means bankruptcy.

Right now speeches are being made from all sides, but no legislation has yet been passed to alleviate the misery of one million people—

Some hon. Members: Order.

Mr. Dumont: Is this reasonable, an income of $1,200?

Mr. Speaker: Order.

Mr. Dumont: I do not accept that, because I find it abnormal—

Mr. Speaker: Order.

Mr. Dumont: If one million people come here to request—

Mr. Speaker: Order.

Mr. Dumont: If you had an income of $1,200, Mr. Speaker—is it normal, is it logical—

Mr. Speaker: I wish to point out to the hon. member that, according to the rules of the house and the tradition of courtesy that prevails in the house, a member must resume his seat as soon as the Speaker takes the floor. Now, I would remind the hon. member that I called for order several times. As a newcomer to the house, his behaviour might be excusable. However, I must urge him to study the standing orders, particularly with regard to the behaviour of the members in the house.

Mr. Dumont: The people of my riding have sent me here to ask that grain storage facilities be built and I ask that legislation be enacted in that regard—

Mr. Speaker: Order.

Mr. Dumont: —that these facilities be built. That is what I want, and I speak on behalf of the farmers of my riding who wish—

Mr. Speaker: Order. I have politely asked the co-operation of the hon. member and I do hope he will heed my advice in the matter. He has asked for my opinion on a question of privilege and I have told him on what grounds he could raise such a question and how he should go about it. Consequently, I hope he will follow the kind advice given him by the Chair in this instance.

Mr. Dumont: The 118 socialists who voted last night are preventing us from legislating, because they deliver speeches—

Mr. Speaker: If the hon. member persists in pursuing this course any longer, I shall have no alternative but to name him. Mr. Dumont it is my wish that you withdraw.

Mr. Dumont: We need grain elevators in eastern Canada, and immediate steps must be taken—

Mr. Speaker: I ordered the hon. member to withdraw. Shall I have to ask the sergeant-at-arms—

(Text):

Mr. Scott: Mr. Speaker, I rise on a point of personal privilege.

Mr. Speaker: Order. At the moment there is a question to be put before the house. In due course I will hear the hon. member.

The hon. member for Bellechasse (Mr. Dumont) having complied with the request of the Chair by withdrawing, we will leave the matter as it stands. I will now see the hon. member for Danforth, who wished to raise a question of privilege.

MR. SCOTT—REFERENCE TO ARTICLE IN OTTAWA "CITIZEN"

Mr. Reid Scott (Danforth): Mr. Speaker, on a question of personal privilege, my attention has been drawn to an article that appeared in

Question of Privilege

the Ottawa *Citizen* of Thursday, October 4. The article is entitled "Liberal M.P. Angry Over P.M.'s Reply". It reads in part as follows:

> Reid Scott (NDP—Toronto-Danforth) complained in the commons today about a reply by Prime Minister Diefenbaker to a civil service appeal against the current government wage freeze.
>
> Mr. Scott asked what consideration the government is giving to a request by the civil service association of Canada, now meeting in Vancouver, for immediate rescinding of the freeze on salary increases for 50,000 clerical and semi-professional workers. Mr. Diefenbaker said that when the government is in a position to make an announcement, it would do so.

My question of personal privilege is this. I do not really mind the people of Canada being informed that the Prime Minister will not deal with this subject, but when it is at the expense of my being publicly called a Liberal M.P. it is almost too great a price to pay.

MR. BARNETT—DESIGNATION OF MEMBERS OF NEW DEMOCRATIC PARTY

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to raise a question of privilege which has no relation to either of the previous questions. It is a matter involving what I consider to be courtesy in this house.

In view of the fact that several members in the course of their speeches yesterday referred to members in this corner of the house as N.D.P.'s I should like to suggest, if I may, that we are members of the New Democratic party or New Democrats. We do not customarily refer to S.C.'s or P.C.'s. As a matter of parliamentary courtesy I should like to request that we be referred to in the house as New Democrats or members of the New Democratic party.

Mr. Speaker: The effectiveness of the hon. member's representations will be measured by the efficacy of his eloquence.

FLOODS

MANITOBA—TABLING OF AGREEMENT ON RED RIVER CONTROL PLAN

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I beg leave of the house to table the agreement respecting the greater Winnipeg floodway signed on May 28 by Premier Roblin on behalf of the government of Manitoba and by myself on behalf of the Government of Canada.

Mr. Speaker: Is this agreement received by leave of the house?

Some hon. Members: Agreed.

[Mr. Scott.]

HEALTH AND WELFARE

ROYAL COMMISSION—INQUIRY AS TO REPORT

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Prime Minister if he is now in a position to say when the report of the royal commission on health services will be ready for consideration by the government. This question was asked of the Prime Minister the other day by the Leader of the Opposition, and the Prime Minister said he would give a reply soon.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as I recall, the question the Leader of the Opposition asked me was whether the royal commission on health appointed some two years ago would be reporting soon. In his question he was totally in error, of course, because the royal commission was set up on June 20, 1961.

Mr. Martin (Essex East): Announced in December of the year before.

Mr. Diefenbaker: That is not very far out for the Leader of the Opposition. I have communicated with the chairman of the royal commission and he says he expects to be able to make his report by June of 1963.

CANADIAN PACIFIC RAILWAY

THREATENED STRIKE BY TRAINMEN—GOVERNMENT ACTION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Is the minister in touch with the Canadian Pacific Railway with the intention of persuading the Canadian Pacific to make the same settlement the Canadian National has made with the brotherhood of railroad trainmen, in order to avoid the necessity of a strike on October 29?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, we have been in touch and will be in touch.

GRAIN

DURUM WHEAT—INQUIRY AS TO CLOSING OF POOL

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Agriculture arising out of his interest in getting money into the hands of the farmers. In view of the much lower price being received by producers of Durum wheat, and in view of the low stocks of Durum on July 31, can the minister say whether the 1961-62 Durum account can be closed out at an early date

and final payment, which farmers expect should be close to 75 cents per bushel, made immediately?

Hon. Alvin Hamilton (Minister of Agriculture): The hon. member was good enough to give me notice of this question. I appreciate his statement concerning the minister's interest in raising the income of farmers. I should like to inform him that the 1961-62 Durum pool will be closed as soon as possible. I draw the hon. member's attention to the fact that of the approximately 10.5 million bushels of Durum wheat delivered during the 1961-62 crop year, 21.9 per cent of 2.3 million bushels were delivered by producers during the last month of the crop year. These late deliveries occurred notwithstanding the Canadian wheat board's efforts to encourage producers to deliver their Durum earlier to permit the board to take advantage of the active demand for this type of wheat. Every effort is being made by the board to market supplies of Durum wheat remaining in the 1961-62 pool in order that the pool can be closed as quickly as possible.

AIRPORTS

POWELL RIVER, B.C.—REQUEST FOR RENEWAL OF AIRSTRIP

On the orders of the day:

Mr. Jack Davis (Coast-Capilano): I should like to direct a question to the Minister of Transport. In view of the rapid deterioration of the surface on the temporary airstrip at Powell River in British Columbia, and because the municipality in that area has already gone to considerable expense to purchase land for a new airport—

Mr. Speaker: Order. Again I think that, while this airport may have been deteriorating for some time, the question of whether there is urgency in obtaining the information does arise at this time. I have some hesitation in ruling, but while the matter may be important to the hon. member's constituency I think his question would be better on the order paper.

IMMIGRATION

REQUEST FOR CHANGE RESPECTING ADMISSION OF RELATIVES

On the orders of the day:

Mr. Jack Roxburgh (Norfolk): I should like to ask the Minister of Citizenship and Immigration if the government will give consideration to relaxing the present rigid regulations under the Immigration Act regarding the admission of relatives of citizens of Canada.

Hon. Richard A. Bell (Minister of Citizenship and Immigration): I am not prepared to concede the implication which there is in the question. The hon. gentleman and the house know of the massive improvements that have been made in the immigration regulations, and further improvements are under constant consideration.

Mr. Pickersgill: A supplementary question—

Mr. Speaker: A supplementary question by the hon. member for Parkdale.

Mr. Stanley Haidasz (Parkdale): I should like to ask a question of the Minister of Citizenship and Immigration. Is it the intention to introduce a revision of the Canadian Citizenship and Immigration Acts?

Mr. Bell (Carleton): Well, Mr. Speaker, if my hon. friend could predict the duration of the session I would be in a better position to answer his question.

COMBINES

DRUGS—INQUIRY AS TO REPORT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Prime Minister. I apologize for not sending notice, but it was given to me in haste. In view of the desire of the Canadian association of consumers and many other people for the early completion of the report of the restrictive trade practices commission into the manufacture, distribution and sale of drugs in Canada, can the Prime Minister inform the house when we may expect release of that report?

Mr. Speaker: Order. I believe that if the hon. member consults *Hansard* of the last few days he will find an answer to a similar question which was addressed either to the Minister of Justice or to one of his colleagues.

BUSINESS OF THE HOUSE

REQUEST FOR MEETING OF INDUSTRIAL RELATIONS COMMITTEE

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I wish to address a question to the Minister of Labour. Because of the urgent problems resulting from unemployment, would the minister say whether we can expect the committee on industrial relations to be called to sit at the earliest possible date?

Hon. Michael Starr (Minister of Labour): If it is contemplated that there is a need for the sitting of this committee, of course it will be called.

Inquiries of the Ministry

INTRODUCTION OF AMENDMENTS TO FOOD AND DRUGS ACT

On the orders of the day:

Mr. Stanley Haidasz (Parkdale): I should like to ask a question of the Minister of National Health and Welfare. In view of the fact that he has announced his intention to introduce an act to amend the Food and Drugs Act, does the minister intend to proceed with these amendments before he has received the report of the special committee on drugs appointed by the Royal College of Physicians and Surgeons and requested by himself?

Hon. J. W. Monteith (Minister of National Health and Welfare): Yes, Mr. Speaker, unless the report is forthcoming in the immediate future.

DEFENCE PRODUCTION

TENDERS FOR CHECKERBOARDS AND CHESS SETS

On the orders of the day:

Mr. John R. Matheson (Leeds): I wish to put a question to the Minister of Defence Production which arises out of the story "For Tender Checkerboards (2), Chess Sets (2), Aircrew, for the use of" in the Toronto *Globe and Mail* of Friday, October 5, 1962. Will the minister look into the possibility of effecting a more economic purchase—

Mr. Speaker: Order. Again I think the hon. member is aware that questions at this time must seek information which is urgently needed. His question is one of detail and it would be more in keeping were it put on the order paper.

LABOUR CONDITIONS

WAGE RATES—REFERENCE TO REMARK BY MINISTER

On the orders of the day:

Mr. Malcolm MacInnis (Cape Breton South): I wish to address a question to the Minister of Labour with reference to a statement of his appearing in *Hansard* of yesterday's date at page 194, which states:

> I would simply point out that the average wage in those countries leaves a great deal to be desired by comparison with Canadian standards.

Does the minister not agree that wage rates must be related to the cost of living?

Mr. Speaker: Order. Again I would draw to the attention of the hon. member, who is newly arrived here, the remarks I just addressed to the hon. member for Leeds as to the nature of the urgency of obtaining information which could not be obtained in some other way.

[Mr. Starr.]

(Translation):

QUEBEC ARSENALS—REPORTED LAY-OFFS

On the orders of the day:

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, my question is urgent because lay-offs take place every week.

Could the Minister of Defence Production tell us if he thinks that such lay-offs in Canadian arsenals will cease in the near future?

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, replying to the member for Quebec-Montmorency, I must say that in spite of every effort we made to secure sales in order to create more work in Canadian arsenals, I am pessimistic and fear that we shall not be in a position to keep all the men now employed there. I believe that there will be further lay-offs.

(Text):

CANADIAN NATIONAL RAILWAYS

INQUIRIES RESPECTING LAY-OFFS AND TIME CARD CHANGES

On the order of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of Transport. It arises out of a telegram which I received a few minutes ago; therefore I was unable to inform the minister of my intention to ask the question. The telegram contains a vigorous protest from the brotherhood of railway carmen regarding a proposed lay-off of nine men, effective October 19, in their department at Fort William. Would the minister be good enough to have the situation investigated and report on it at the next sitting of the house?

Mr. Speaker: Order. While the hon. member may feel that the representations he wishes to make in regard to this matter are of urgency, yet nowhere in his question did I detect anything which indicated that information was being urgently sought from the ministry.

Mr. Badanai: I have another question, Mr. Speaker.

Mr. Speaker: If the hon. member is making representations to the minister to look into this matter, so far as the Chair is concerned at the moment he has made his representations. Is he seeking urgent information?

[*Later:*]

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I also received the same telegram as the hon. member for Fort William, and I have had wires and letters during the last few days from Moncton, Winnipeg, Vancouver and Hornepayne in connection with the same general problem of C.N.R. lay-offs arising out of the approaching change in time cards. In order to avoid bringing up each one of these matters separately I wonder if the minister would consider giving a review of these changes and lay-offs, together with their scale and duration, as obtained from the C.N.R. If he did not present it to the house he might at least distribute it to all hon. members who have railway points in their constituencies.

Hon. Leon Balcer (Minister of Transport): From time to time I have discussed with the president of the C.N.R. the situation of these employees whose positions are affected by changes of the system. The government is well informed on all these matters, but I shall be pleased to bring these new facts to the attention of the management, and I will report to the house accordingly.

Mr. J. R. Garland (Nipissing): Does the government have any plan in connection with these lay-offs? Does the government have any plan for assisting in the relocation of these people in suitable employment?

Mr. Balcer: At practically every session of parliament when the committee on the C.N.R. sits, witnesses from the crown corporation are asked precisely these questions. On each occasion they have given details of their efforts to find employment for people who are laid off according to seniority and according to the need for the good administration of the company.

(Translation):

LEVIS—CLOSING OF BAGGAGE CHECKING OFFICE

On the orders of the day:

Mr. J. Aurelien Roy (Levis): Mr. Speaker, my question is directed to the Minister of Transport.

I should like to know whether steps have been taken to contravene the decision taken by the C.N.R. to shut down their luggage checking depot for the Levis ferry passengers, which—

Mr. Speaker: Order. I believe the hon. member does not realize that his question is of the same kind as several others which were asked this morning and about which I had to point out to hon. members that they should not make such representations because there is no urgency.

FINANCE

TRANSFER OF UNION DUES TO U.S.

On the orders of the day:

Mr. Gilles Gregoire (Lapointe): I have a question for the Prime Minister. In order to put an early end to the austerity program while increasing our Canadian currency reserves, could we not prevent union dues paid by our workers to American international unions to leave the country?

Mr. Speaker: Again, I wish to point out to the hon. member that his question as stated calls for an expression of opinion and does not deal with urgent information.

ISSUE OF BILINGUAL CHEQUES TO MEMBERS OF PARLIAMENT

On the orders of the day:

Mr. Gerald Laniel (Beauharnois-Salaberry): Mr. Speaker, I have yet to receive a reply from the Minister of Finance to my question of October 2 about issuance of bilingual cheques to all the members of this house. I wonder if he had time to check on that information which, in my opinion, should be very easy to obtain from his department.

(Text):

Hon. George C. Nowlan (Minister of Finance): I have checked, and I find that over 90 per cent of the cheques being issued today by the government are bilingual. However, there is a fairly large number of cheques in the form of payments to individuals the supply of which has not yet been exhausted. That supply is being used very rapidly, however. Perforated cheques are used to pay members of parliament, but if there is any objection perhaps some change could be made. We expect that 100 per cent bilingual cheques will be used by the government in the near future.

(Translation):

Mr. Laniel: A further question, Mr. Speaker. I understand that this investigation concerning cheques would cost approximately $7 or $8. To maintain the principle, I should ask—

Mr. Speaker: Order. At present, the hon. member is not putting a supplementary question: I feel he rather wants to express his opinion.

(Text):

SIGNATURE ON CANADIAN DOLLAR BILLS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wonder if the minister has looked into the question of the dollar bill which I sent him yesterday. I am glad he returned the dollar, and I thank him for his honesty in doing so.

Inquiries of the Ministry

Hon. George C. Nowlan (Minister of Finance): I believe an old plate was used with a new signature, as has been done on past occasions. I am sure the hon. member will recall when that happened. That is the explanation.

Mr. Chevrier: I wondered if it was a question of falsifying history in order to further the austerity program.

Mr. Nowlan: I think we falsified history to the same extent as the hon. gentleman did.

AUSTERITY PROGRAM—STATEMENT RESPECTING REMOVAL OF SURCHARGES

On the orders of the day:

Mr. Arthur Laing (Vancouver South): Mr. Speaker, I have a question I should like to address to the Minister of Finance, but unfortunately I have not had an opportunity to give him notice. I would ask if the authority of his department extended to Mr. Goldby who is reported by the Japanese department of trade as having told them with great assurance that the tariff surcharges in respect of our austerity program would be removed at the earliest possible moment.

Mr. Speaker: Order. I think that while that would be an interesting bit of information, the question is not of such urgency that it should be asked on orders of the day.

PUBLIC SERVICE

APPOINTMENT OF DEFEATED CANDIDATE TO CIVIL SERVICE COMMISSION

On the orders of the day:

Mr. E. J. Benson (Kingston): I should like to address a question to the Prime Minister. Would the Prime Minister care to comment on persistent reports that a defeated Conservative candidate may be appointed to the civil service commission?

Mr. Speaker: In view of the fact that the reports may be altogether hypothetical, I do not think the question is in order. We could spend our mornings and afternoons asking ministers to comment on this or that article written by unspecified persons for whom the minister has no responsibility.

TRANSPORT

WELLAND CANAL—STATEMENT ON TWINNING OF LOCKS

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Yesterday the hon. member for Welland inquired regarding the twinning of the single locks on the Welland canal and the acquisition of the necessary land. I wish to say in reply that all the necessary land was expropriated on May 22, 1962. This matter is under active study, and an announcement will be made when a decision is reached.

KINGSTON—USE OF U.S. PILOT TO MOVE FOREIGN SHIPS

On the orders of the day:

Mr. E. J. Benson (Kingston): Mr. Speaker, I should like to address a question to the Minister of Transport. Is the Minister of Transport aware of the fact that a pilot must be summoned from the United States to move foreign ships from berth to berth in the harbour of Kingston, a Canadian port?

Mr. Speaker: Order. Again I believe that the hon. member is trying to put forward information rather than seek it, and the question is not of that urgent quality that it should be asked on orders of the day.

NATIONAL DEFENCE

COST OF PROPOSED NEW RADAR WARNING NETWORK

On the orders of the day:

Hon. Pierre Sevigny (Associate Minister of National Defence): Yesterday the hon. member for Trinity, referring to a recent article in the *Financial Post*, asked if a new line of radar stations was to be constructed as a joint project by the United States air force and the Royal Canadian Air Force and, if so, what would be the cost to the Canadian taxpayer.

The radar system referred to is known as "The Oracle" and has been developed by a private firm, the Bendix Corporation, and is one of many proposals we can expect to see from industry to provide a means of space surveillance. There has been no commitment on the part of the Canadian government at the present time, and should a valid requirement develop it would be considered in the light of all existing conditions.

STATEMENT ON NAVAL AND AIR EXERCISES

On the orders of the day:

Hon. Pierre Sevigny (Associate Minister of National Defence): I should like to take this opportunity to reply to a question asked yesterday by the hon. member for Leeds.

The hon. member referred to a news item appearing in the London *Times* of October 3, 1962, relating to a NATO naval exercise and asked what Canadian forces were participating in this exercise.

The article in question referred to an annual NATO naval exercise taking place between October 2 and 18 and involving sea and air units from Canada, Norway, Denmark, The

Netherlands and Britain. Canadian forces participating are H.M.C.S. *Bonaventure* and its aircraft, and the destroyer escorts *Nootka, Crescent, Micmac, Athabaskan* and *Cayuga.*

REFERENCE TO POLICY STATEMENTS BY SENIOR OFFICERS

On the orders of the day:

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, once again I ask the indulgence of the house to answer a question raised yesterday by the hon. member for Burnaby-Richmond resulting from statements supposedly attributed to Air Marshal Slemon. The reply given by the officers concerned, and confirmed by Air Marshal Slemon, is consistent with a statement made by General Kuter in Toronto in September last year, and approved by the Minister of National Defence. It is consistent also with a statement by the Minister of National Defence which appeared in *Maclean's* magazine on August 25, 1962.

The statement that Canada's non-nuclear air defence weapons would be more harmful than helpful to the population of this country in the event of an all-out nuclear attack on North America is a conclusion reached by the correspondent and not a statement by Air Marshal Slemon or the other Canadian and U.S. officers of NORAD with whom the correspondent conferred. The suggestion by the hon. member of Burnaby-Richmond that senior officers have made improper statements on policy matters is not founded on fact.

FISHERIES

ALEUTIAN ISLANDS—ACTIVITIES OF RUSSIAN SHIPS

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Fisheries and ask him if he has any knowledge about the movements, numbers and purposes of Russian fishing boats or other craft in the area around the Aleutian islands, with specific reference to the movement of those vessels in a southerly direction toward British Columbia waters.

Hon. J. A. MacLean (Minister of Fisheries): I shall be pleased to take the question as notice and give the hon. member an up to date report on fishing activities by foreigners in water adjacent to western North America.

LAKE ERIE—REQUEST FOR MARKETING ASSISTANCE

On the orders of the day:

Mr. E. F. Whelan (Essex South): Mr. Speaker, I should like to address a question to the Minister of Fisheries. Does the government propose any measures to assist the great lakes fishermen, particularly those of lake Erie, with their urgent marketing problems?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I believe the hon. member is referring to a difference that has arisen between certain fishermen and certain buyers. No request has been made to the Department of Fisheries for assistance of this kind.

EXTERNAL AFFAIRS

INQUIRY AS TO APPOINTMENT OF AMBASSADOR TO IRELAND

On the orders of the day:

Hon. Paul Martin (Essex East): Because of persistent reports, and comments on those reports by the mayor of Ottawa, Dr. Charlotte Whitton, may I ask the Secretary of State for External Affairs if the government proposes to deprive the capital city of our country of the services of this distinguished woman by appointing her ambassador to Ireland?

Mr. Speaker: Order. Interesting as this question may be, I think at the moment, as far as I can see, it is quite hypothetical and not of great urgency.

HOUSE OF COMMONS

HOLIDAY FOR STAFF ON THANKSGIVING DAY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if it has not been done within the last forty minutes, I wonder if Your Honour would see that the necessary instructions are issued so that appropriate notice might be given that Monday is a holiday not only for hon. members but also for the staff of this house. There still seemed to be some uncertainty this morning. I am sure it is intended that the staff will have Monday as a holiday as well the house itself.

Mr. Speaker: I wish to thank the hon. member for drawing to my attention this possible gap in communications, but I understand that as of this morning the chiefs of the various sections of the staff of this house have been advised as to precisely what conditions will apply. I can assure you that the fundamental principle applied is that all those people who can possibly be spared will be granted the holiday, and those who must, by the nature of their duties, work here on Monday will have their time made up in the usual manner so that no one will be penalized in so far as is possible under the arrangements for keeping this house open on Monday for the convenience of hon. members.

Mr. Knowles: Mr. Speaker, the holiday, of course, will be with pay?

Some hon. Members: Order.

Inquiries of the Ministry

Mr. Knowles: I am asking Mr. Speaker to make it clear that the holiday will be with pay.

Mr. Speaker: I have never known it to be otherwise.

INCOME TAX

REQUEST FOR STATEMENT OF ARREARS OWING

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to address this question to the Minister of National Revenue. It has come to my attention that there are large arrears of income tax payments by corporate bodies in Canada. In view of the financial urgency of the hour, will the Minister of National Revenue make available to the house the amount of income tax arrears which are presently owing to the Department of National Revenue?

Mr. Speaker: With all due respect to the hon. member, I believe the main purpose of his question is either to advance views or to get a comment on some form of letter which was circularized to all hon. members of this house. In any event, as a second reason for ruling out the hon. member's question, it seeks statistical information which is not readily available to the minister, and could not be expected to be available. Therefore, much as I regret, the question must be deferred to the order paper.

POSTAL SERVICE

LADNER-DELTA AREA, B.C.—REQUEST FOR IMPROVEMENT

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I should like to address a question to the Postmaster General. Is it the intention of the minister to give consideration to the appeals from the residents of the Ladner-Delta area of British Columbia for a revision of the mail service in that area to bring it into line with the urgent needs of the situation?

Mr. Speaker: Order. I think the hon. gentleman has accomplished his purpose in putting forward a plea on behalf of some of his constituents, but I think he would agree that we all, including the Chair, have areas where we should like a better postal service, or newer and better postal offices, and we could be here until the expiration of anno domini in putting forward our views.

[Mr. Knowles.]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, October 4, consideration of the motion of Mr. Gordon Chaplin for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, in opening my remarks today may I first pay a word of tribute to the mover and seconder of the address in reply to the speech from the throne. They did this nerve-wracking job very well, and I wish them great success in their careers in public life. In addition I should like to pay a tribute to the new members of the house. Mind you, the political complexion is not entirely what I would have wished, but after all they do represent a cross-section of the Canadian people. I am sure they will prove to be responsible and conscientious as has been in the case in each of the other parliaments in which I have had the privilege of serving.

Today I intend to deal with three subjects; first of all the emergency program, then the commonwealth conference and finally Canada's position in the world. Before doing so, however, I think it would be fair comment on my part to say that on each of these subjects, regrettably, the Leader of the Opposition has seen fit to take an attitude which can only be described as abusive.

With regard to the emergency program, in his speech the other night the Leader of the Opposition accused the Prime Minister of this nation of fraud and misrepresentation. In the first place those charges were not true, and in the second place it was not fitting that any leader of any party in this house should make a virulent attack of that kind. May I say to the Leader of the Opposition that it was unbecoming on the part of a man who hopes one day to be the prime minister of Canada.

Then on the question of the commonwealth conference may I say this. While we were in London we had this charge made in Canada by the Leader of the Opposition:

> Mr. Pearson referred to a "deplorable" ganging up by Canada and others at the Prime Minister's conference.

He was referring not only to the Prime Minister of Canada but to the other commonwealth prime ministers. In a further comment about the attitude of the Canadian Prime Minister at the conference he ascribed to Prime Minister Diefenbaker "a 'deplorable' display of diplomatic and political gaucherie". There can be different opinions as to just what

gaucherie means but in all kindness I suggest that these are not the kind of remarks that should be made by any leader in Canada.

Then on the subject of Canada's position in the world, as he closed his comments the other evening the Leader of the Opposition, himself a former secretary of state for external affairs and previously an under secretary, sneered at Canada's efforts with regard to disarmament—

Some hon. Members: Shame.

Mr. Pearson: Rubbish and nonsense.

Mr. Green: —the main problem facing humanity today.

Mr. Pearson: Childish.

Mr. Green: He did it in these words:

True, there is some mention of disarmament—

Referring to the speech from the throne.

—and the Secretary of State for External Affairs keeps working away at disarmament, going up to New York and to Geneva, and then back again.

Mr. Pickersgill: Read the rest of it.

Mr. Pearson: Yes, read the rest of it.

Mr. Green: If that is not sneering, I do not know what it is.

Mr. Pearson: Read the rest of it.

Mr. Green: You can read it yourself.

Mr. Pickersgill: You are afraid to read it.

Mr. Green: The Leader of the Opposition was sneering, Mr. Speaker. It was obvious by the way in which he spoke. This is only one example of the kind of attack that the Leader of the Opposition, the hon. member for Essex East and other Liberals have been making.

On the question of Canada's position in the world, we have been faced with attacks of this kind for nearly the last year. I have here a statement made by the present member for Vancouver Centre, who was the chief Liberal organizer in British Columbia. Here is what he had to say in effect:

B.C. Liberal campaign manager Jack Nicholson says Canada's reputation under a Conservative government has slid from that of one of the most highly respected nations in the world to one that is internationally laughed at and disregarded.

Some hon. Members: Shame.

Mr. Pearson: It has gone down.

An hon. Member: Anything to win a seat.

Mr. Green: Furthermore he had this to say; he referred to Canadian businessmen and tourists coming back from abroad and telling people that Canada's position in the world is so bad that you will be well advised if you go abroad not to admit that you are a Canadian.

Some hon. Members: Shame.

Mr. Pearson: It has gone down and you know it.

Mr. Green: How low can people get? To some of us who have been very proud to wear the badge of Canada on our shoulder straps it is impossible to understand how any Canadian, least of all anyone seeking public office in Canada, could think in that way, let alone talk in that manner. It is about time the Liberal party realized that in these attacks on Canada's position in the world it is smearing our nation and hurting our prestige.

Mr. Pearson: Read your own speeches in opposition.

Mr. Green: All these vicious attacks on these three subjects are done with a purpose, namely the purpose of getting into power.

Mr. Pearson: The purpose of exposing the government.

Mr. Green: The purpose of getting into power, regardless of methods. I should be greatly surprised if the Canadian people have not already seen through that type of attack.

Mr. Pearson: They saw through it in June.

Mr. Green: These attacks bear little resemblance to the traditions of the great Liberal party. It is no wonder that the Vancouver *Sun* which, next to the Toronto *Star*, is the Liberal paper with the largest circulation in Canada, had this to say less than a month ago:

Up to now Mr. Pearson has been anything but a strong man for the Liberals.

Mr. Pearson: You lost 86 members. We doubled our representation.

Mr. Green: Then we come to the emergency program which of course, had to do with the situation of the exchange reserve fund. The necessity to do something about that exchange reserve fund arose at the week end of the election. I came back from Vancouver early on the morning after the election.

Mr. Pickersgill: Were you there when the Minister of Agriculture spoke?

Mr. Green: Oh, you have cackled enough.

Mr. Pickersgill: I ask the minister a question. I ask the minister whether he was there when the Minister of Agriculture spoke.

Mr. Green: I am in the habit of telling the truth, and I am telling the truth today. This is the truth. Furthermore, the Prime Minister of this country is in the habit of telling the truth and the hon. member knows it. When we found this run on the Canadian dollar—and there can be no doubt that it was in part at least caused by all the attacks by Liberals all over the country—

Mr. Pickersgill: By the Minister of Agriculture in Vancouver.

Mr. Green: —we came right back and when we found this situation, we moved to meet it. We brought in this program. The cabinet met practically continuously during that week until the program was announced, I think on Sunday. It took these steps knowing that they were unpopular. How could anyone expect anything else than that they would be unpopular? They were taken because that was what had to be done.

The steps that were taken have been succeeding. There is no question whatever that they will be dropped just as soon as possible.

This situation involved stopping a drain on the exchange reserve fund. The government simply had to carry on, if for no other reason than to prevent any further loss of confidence in the Canadian dollar. Any sign of wavering at that time would have been disastrous.

The same is true of any action which would have precipitated an election. This too would have been disastrous for the Canadian dollar, and I may add that the Leader of the Opposition was not very helpful in this crisis. He was told all about the situation while these steps were being prepared, but when they were taken he did not come out with a statement which meant a great deal by way of helping to retain confidence in the Canadian dollar. He was playing politics then, and he has been playing politics all through the piece.

Mr. Martin (Essex East): That is not true.

Mr. Green: We are criticized for not calling the house. The house could not have been called for a matter of several weeks.

Mr. Pickersgill: Three weeks.

Mr. Green: There was also the commonwealth conference to be considered, which was to begin on September 10. It had been called at the request of Canada, and it would have been impossible for Canada to function properly at that conference if this nation had been involved in an election.

Mr. Pickersgill: It did not function properly anyway.

Mr. Green: I suggest that any reasonable Canadian will admit that the government took the proper course in all the circumstances.

Then a few words about the commonwealth conference. It was called, of course, to consider the implications of the United Kingdom joining the European community. It should be remembered at all times that negotiations between Great Britain and the community were not completed and are not completed yet. That was the situation in which the conference met.

It was impressive and inspiring, Mr. Speaker, to sit at that table around which were gathered the representatives of the 15 free and equal members of the commonwealth as well as the prime minister of Rhodesia and Nyasaland and the prime minister of Uganda, who did not speak but was sitting there at the table. His country will be free before the end of the present month, and has asked to join the commonwealth. That request was granted at the conference.

The prime minister of British Guiana was sitting in the room as well and the representative of Kenya, the prime minister of Singapore, the prime minister of Malta and the representative of Mauritius. These men were there although they did not participate in the proceedings, but in a very short time their countries will be free and full fledged members of the commonwealth. This is something that would have inspired anyone in this chamber today if he had had the privilege of attending such a conference.

In Canada it is almost forgotten that there are two features of the implications of Great Britain joining the European community. First and foremost are the political implications and, second, there are the trade implications. I believe that the political implications are more important, and to my surprise that was the position taken by the Prime Minister of the United Kingdom at the conference.

The political implications, what follows if the United Kingdom goes into Europe after 300 years of refusing to take that step, are of prime importance. Of course a good deal will depend on the extent to which Europe becomes a united states of Europe, with a common parliament and a common foreign policy, or perhaps becomes simply a loose alliance. There will be a difference in effects depending upon the type of European community that develops. But in the conference there was a general concern on the part of every prime minister because of the possible effect on the commonwealth. That is very clearly set out in paragraph 15 of the communique, which was in these words:

> At the same time the representatives of various commonwealth governments expressed anxieties about the possible effects of Britain's entry into the European economic community. They trusted that, should there be closer association between Britain and Europe, it would not be allowed, as it developed, to weaken the cohesion of the commonwealth or its influence for peace and progress in the world.

Great value was placed on the commonwealth by every prime minister there, from the one representing the oldest former colony,

our own Prime Minister, to the representative of the newest, Trinidad and Tobago. Such value was properly placed on the commonwealth because today it is the finest association of nations in the world. It embraces representatives of all races and creeds, and I do not believe there has ever been anything quite like it in the history of the world.

There are great traditions behind it. Twenty one or twenty two years ago the commonwealth stood alone in saving civilization. While we were in London we attended a memorial service for the young airmen who lost their lives in the battle of Britain, including Canadian airmen. These associations really go much too deep in Canada for words, and they mean so much also to all the other members of the commonwealth.

If the commonwealth should be weakened or brought to an end, think of what would result as far as Canada is concerned. Think of the increased difficulty we would have in preventing our country from being drawn completely into the American orbit. Canadians from coast to coast must keep this fact in mind, just as our ancestors have had to. The Asiatic countries of the commonwealth do not want to be simply cast aside, and they fear that might be the result. With regard to the African countries of the commonwealth, in the negotiations at Brussels Britain obtained the right for them to become associate members of the European community, which would be of great benefit to them economically. But these African countries, Nigeria, the greatest country in Africa with the largest population, Tanganyika, and Ghana, refused to accept associate status because they were afraid it would make them economic colonies of Europe and would interfere with their development as sovereign nations. At the conference they turned down that offer.

Our Prime Minister has always been a commonwealth man. At the conference he made a most statesmanlike address which received from all the other prime ministers far greater applause than that accorded to the remarks of any other prime minister. The opposition talks about Canada's standing being ruined. One had only to sit at that conference table to see the standing that Canada has among the commonwealth nations. That is partially as a result of the stand our Prime Minister took a year ago on the question of South Africa, but today Canada stands in the very front rank so far as admiration and friendship are concerned on the part of the other members of the commonwealth.

The Leader of the Opposition showed no concern in his speech about what happens to the commonwealth. He whined about strengthening Europe, and said that Britain should get into Europe to strengthen it. Europe is not such a weak little sister today. The NATO organization is probably the strongest military alliance there has ever been in peacetime. Europe does not need strengthening in that sense. She is just as strong as she would be if the British were to go into the common market.

Then he charged that our Prime Minister had told the British "You have to decide on whether you keep the commonwealth or whether you go into Europe". There was no such position taken by the Canadian Prime Minister. He made it clear from the start the decision was a decision for the British themselves. You know, the hon. member for Davenport seems to think he has all the answers. He always comes running along with a slick solution for everything. Speaking in January, here is what he said about Canada's attitude toward Britain and the European community:

> ... the government should have been urging and supporting Britain's application.

In other words we should have been shoving the British into the European community in the same way he wanted to shove a lot of maritimers up into Ontario.

Then there are the trade implications, and they are very far reaching for every member of the commonwealth. The Prime Minister of Canada spoke for Canada, which was his duty. I have not the time to quote from paragraph 16 in the communique, but it contains reference to the items in which Canada was interested. The other night the Leader of the Opposition said our Prime Minister should have been approving what the British government put into the communique. Paragraph 12 was the British case. We were criticized because our Prime Minister did not come down in complete support of the British representations. He was there to represent Canada.

Our main concern in the trade field today is foodstuffs. There is to be a procedure set up in the community under which there will be a tariff against many of Canada's foodstuffs, imposed by way of a levy. This levy will be put on by the community's civil servants, not by the British government. The money they get will be paid out by those same civil servants. As the prime minister of Australia pointed out, this is a strange sort of arrangement. This is the type of operation planned in regard to these tariffs to maintain artificial prices on foodstuffs produced in the countries of the European community. Make no mistake about it; as yet the community is inward looking. Let Canadians not expect the approach of the community, certainly on agricultural questions, to be in the direction of cutting down on the restrictions.

Canada is vitally interested in raw materials. Negotiations on these items have not yet been completed. We are hoping for a nil tariff on many of our materials such as aluminum, lead and zinc. In so far as processed goods are concerned, the negotiations have not even started in connection with many of them. For example canned salmon, one of the items which come under this heading, has not been considered. In so far as manufactured goods are concerned, there have been tentative arrangements but we are hoping there will be some more favourable conditions worked out.

There has been a great deal of work done here in Ottawa, in Brussels, in London and in the committees of the commonwealth conference by Canadians. We have pointed out ways in which the position could be improved from the point of view of Canada. For one thing, we believe a great deal of help could follow from the United States trade plan. We would like to see negotiations under the United States trade plan take place with the community and with other nations as much as possible simultaneously with negotiations between Great Britain and the European community. We believe if that could be done the result would be very much more beneficial all around, and it would be much more possible to get lower tariffs.

The Prime Minister's trade proposal had that same objective in mind. He suggested that commonwealth countries should call for a trade conference and invite all the members of the commonwealth, the members of the community, the members of the European free trade area, the United States, Japan, and other like minded countries. This proposal received quite extensive support, for example from the president of Pakistan, the prime minister of Tanganyika, the prime minister of India, and qualified support from others. It was applicable whether or not Great Britain went into the community. I believe that eventually this plan of having a wider conference will be the one which will be followed. I also believe it will be in the best interests of Canada.

The United Kingdom now goes back to resume negotiations in Brussels, and arrangements have been made for a continuation of the consultations with commonwealth. countries. In so far as Canada is concerned, Canada will co-operate regardless of what happens. Canada will also do her best to maintain and strengthen the commonwealth. I have here a very significant paragraph from the speech from the throne which reads:

> ... the government will spare no effort to safeguard the interests of Canada while preserving the unity and strength of the commonwealth as a whole.

[Mr. Green.]

Then, Mr. Speaker, I should like to say a word or two about Canada's position in world affairs. During the discussions in London we had quite a wide ranging talk on world affairs. There the Prime Minister and I suggested that the commonwealth should back up the United Nations in its efforts to settle the Congo problem, and that there should be a statement issued by the conference on the question of disarmament. Both of these suggestions were accepted. If hon. members will refer to the communique they will find that both these subjects have been dealt with. It is a great help in trying to get some disarmament plan worked out to have the unanimous endorsation of these 15 members of the commonwealth.

I really do not believe it is necessary for me to answer those charges that Canada's position in world affairs have been ruined by the present government. I know they were just cheap political talk. Now that the election is over I hope these attacks will cease and that once again the opposition will get in and try to help maintain Canada's position in the world.

I mentioned our position in the commonwealth and in the field of disarmament. Today Canada stands as one of the leaders, perhaps the leading nation of the world, in efforts to bring about disarmament, to bring about a cessation of nuclear tests and to deal with the question of radiation and the horrible effects on humanity which this radiation may bring about.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member, but his time has expired.

Mr. Martin (Essex East): Would my hon. friend permit me to ask him a question?

Mr. Deputy Speaker: Order. The house will have to give unanimous consent, as the minister's time has expired.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: I hear some dissenting voices.

(Translation):

Hon. Lionel Chevrier (Laurier): Mr. Speaker, according to parliamentary tradition, I take pleasure in tendering my warmest congratulations to the hon. member for Waterloo South (Mr. Chaplin) and to the hon. member for Nicolet-Yamaska (Mr. Vincent), who have made excellent speeches in this house in the debate on the address in reply to the speech from the throne.

I commend them particularly, not only because of the contents of their speeches, but for their way of expressing them in the House of Commons. I think that both hon. members deserve our praise.

I have no intention, Mr. Speaker, to criticize the Conservative government lengthily today, as it has discredited itself permanently in the province of Quebec during the last election. But, what was a surprise in the province of Quebec at that time, was the rise of the Social Credit party. Its success was mainly due to Quebec's discontent with the Conservative party—

An hon. Member: And the Liberal party.

Mr. Chevrier: —and to the campaign launched by the Social Credit leaders who momentarily succeeded in deceiving the good faith of a number of voters. The reasons for Quebec's dissatisfaction with the Conservatives are well known.

An hon. Member: And with the Liberals too.

Mr. Chevrier: The paradox in our political situation resides in the fact that a great number of Quebecers, by voting for Social Credit, as a protest against the Conservatives, only succeeded in keeping them temporarily in power. That, and also to a great extent the campaign of make-believe and deceit of the Social Credit leaders in the province of Quebec explains the paradox.

The first illusion which the Social Credit leaders tried to create in Quebec was that Alberta and British Columbia had each become a paradise on earth and that Social Credit was still very popular there and that moreover their party would succeed in having a great number of members elected outside the province of Quebec.

Such frequent allegations had their effect on June 18 last, but they were refuted that very same day, because, as we all know by now, Social Credit came in fourth place in British Columbia, far behind the other parties, with only 14 per cent of the votes, in comparison to 24 per cent in 1957 and 27 per cent in 1953.

In Alberta, Social Credit obtained only 29 per cent of the votes in 1962, whereas it had 38 per cent in 1957 and 41 per cent in 1953, when it came first among the parties.

An hon. Member: How much for the Liberals?

Mr. Chevrier: On the morrow of the election, those who had believed in the trickery of Social Credit had to realize that they were alone and isolated in the province of Quebec, like our friends on the left, and that they had simply contributed to the election and maintenance in power of the Conservative party. Thus they had lost everything, even their votes.

Mr. Speaker, turning now to other matters, I should like to discuss the Social Credit doctrine as explained during the election campaign, as set forth in the book entitled "Real Caouette vous parle" and as put forward in this house by the member for Villeneuve.

According to the latter and his colleagues, all our economic problems arise from an only cause: under the present system, there is a chronic and permanent lack of purchasing power; in other words, incomes are lower than the amount of goods produced, with the result that those goods cannot be entirely consumed. This is what he says at page 83 of his book:

> —total salaries amount to $25 billion. Now, with a national revenue of $25 billion, how can people buy for $38 billion. Such is the current problem today.

In my opinion, this is a gross mistake on the part of Socred leaders, because we actually buy every year our total national production. If the member for Villeneuve would only examine a little more closely the statistics pertaining to our national accounting, he would soon realize his elementary mistake. In fact, he compares the disposable personal income with the total income or with the national production. In 1961, for instance, this disposable income on the part of the general public amounted, as he said, to about $25 billion, but personal income accounts for only a part of the total income of the nation. The government and the commercial concerns also have incomes which they spend, in turn, for services or investments. In this perspective, the disposable personal income can only be compared with the consumers' expenses, which amounted to slightly more than $24 billion in 1961.

On the other hand, had the hon. member for Villeneuve examined more carefully the national accounts, he would have realized that if personal income came to some $25 billion in 1961, the total income, or the national product, was close to $37 billion, and the total national expenses also amounted to almost $37 billion. Therefore, it is clear that we buy each year all that we produce, and that the mistake made by the Social Credit leaders simply consists in comparing a part with the whole and in being surprised at finding that this part is less than the whole.

Besides, if the explanation given by the Socred leaders was of any value, it would follow every country would be continuously facing mass unemployment and economic crises, since disposable personal income is always lower than the national product by a several billion dollars margin. How is it then—and I am putting the question to the Social Credit members—that Canada has known periods of intensive prosperity and of

rapid expansion from 1896 to 1911, from 1921 to 1930 and from 1946 to 1956, under Liberal governments, without applying the Social Credit doctrine? How is it that these last few years, the countries of western Europe have been enjoying considerable prosperity and an accelerated development without resorting to Social Credit? How can the hon. member for Villeneuve explain these facts when in ours as in other countries, during periods of prosperity as well as of recession, the national income is always less than the national product?

Convinced that they have explained the cause of our economical problems by the difference between the national product and the national income, the Social Credit leaders claim that they can easily solve our difficulties. How? Simply by increasing the money supply and the credit so as to fill up the difference between the national product and the national income. Or again as the hon. member for Villeneuve states on page 61 of his book:

> Social Credit consists in making the amount of money represent exactly the facts of production, and it is nothing else. No more and no less money than there are goods manufactured by Canadians. That is all we want.

And again, as he puts it in page 92:

> For each dollar of products, there must be a dollar of purchasing power.

As I have just said, the cure put forward by the Social Credit members rests on a basic accounting error. But to this basic mistake, the hon. member adds another one just as glaring: he does not take into account the monetary turnover. It is an undeniable fact that money and credit are used several times, by changing hands, during a given year.

It is estimated that money has an average turnover of three times a year, which means that a given amount of money may serve during a year to buy three times as much products.

In 1961, for instance, the quantity of money in circulation remained at an average level of more than $14 billion, while our national production was valued at nearly $37 billion. How could we buy $37 billion worth of products with an average sum of money of about $14 billion? Simply by using that same money several times. So, the unbalance that Social Credit leaders believe to have found between the quantity of money in circulation and national production vanishes, once we take into account the monetary turnover.

Moreover, the inefficiency and failure of the Social Credit remedy has been clearly shown by the Conservative government these last few years. From the beginning of 1957 to the end of 1961, the quantity of money increased by 32 per cent in Canada. During the same period, the national product, in constant dollars per capita, has gone down by 4 per cent. Therefore, this government had already done better than is asked for by Social Credit leaders, and yet, during that period of time, unemployment remained at 7 per cent.

All those facts show that the remedy suggested by Social Crediters is not any better than the explanation they give about our economic problems. They show also why Social Credit has never been applied in other countries. Major Douglas introduced the Social Credit theory about 40 years ago. The hon. member for Villeneuve would like us to believe that such a theory could save the world and easily solve all economic problems plaguing mankind; on the other hand, he is opposed to any planning system and to any nationalization project. But then, if the solution of our problems were as simple as Major Douglas seemed to indicate 40 years ago, how can one explain that he has not more followers in the world?

How can one explain that there is no government in the world nor a serious economist to accept the Social Credit philosophy?

How can one explain that most democratic governments, in France, in England and elsewhere in Europe, and more and more in the United States, are taking up planning, that Pope John XXIII is inviting statesmen to choose that direction and that no one in those quarters is interested in Social Credit? Are government leaders and all the most renowned economists of the whole world so ignorant or is it because they are in the service of commercial banks? Would Major Douglas and the hon. member for Villeneuve be the only ones to see the light and possess the truth? Or is it not simply that the hon. member is having visions, is being mistaken and is thus misleading the others?

In fact, the only concrete proposal which subsists in the Social Credit reform, is the fact that we should create as much money and credit as necessary to bridge the gap between national production and personal income, which would have corresponded, in 1961, to about $12 billion. Social Credit leaders would then have practically doubled the quantity of money and credit in circulation.

Such an experience would have been similar to the experience Germany went through following the first world war. We

all recall the disaster brought about by inflation in Germany. It ruined the middle class people and plunged the poor people in the depth of misery leading finally to the rise of Hitler, whom the hon. member for Villeneuve seems to admire.

I should like now to say a word on the question of confidence in this government. During a television interview after the election, the hon. member for Villeneuve made the following promise to the whole French-speaking population of Canada, and I quote:

If anyone comes up with a non-confidence motion, you may be sure that I will vote against the government whoever they are.

That was a definite and clear pledge. What has happened since? It is clear that the government has no intention of ending its austerity program and that it puts forward no efficient proposal to get the economy rolling again and check unemployment. On the other hand, the leader of the Liberal party has put forward a comprehensive program to improve the situation for all Canadians. He has further more moved a non-confidence motion against the government. The motion is simple and does not carry any principle unacceptable to the hon. member for Villeneuve.

Now, his colleagues rose one after the other, last night, to vote against the proposal, against the non-confidence motion, and no doubt I may assume that, if he had been in this house at that time, the hon. member for Villeneuve would have voted against the motion. The Crediter's vote clearly shows that either they are the allies of the Conservatives or they fear another appeal to the electorate; both explanations could be equally true. The implication then is that the hour of truth has come for the hon. member for Villeneuve and his colleagues. I am sure that those who voted for them because they were against a Conservative government have already passed judgment on them after their vote of yesterday.

I come now, Mr. Speaker, to a series of fallacious, mendacious and untrue statements which I find in the book entitled "Real Caouette vous parle."

Here is what he says at page 17:

Tell me what the Liberals have given you over a period of 22 years, besides a war and a depression?

When the hon. member for Villeneuve asks such a question, he is falsifying the truth.

To begin with, it was not the Liberals who were responsible for the war, but Hitler, whom the hon. member for Villeneuve admires so much.

Do you know, Mr. Speaker, that one of Hitler's slogans, from 1929 to 1932, was:

Sie haben nichts zu verlieren

"You have nothing to lose." They borrowed not only this individual's philosophy, but also his slogan.

Furthermore, it was not the Liberals who were responsible for the depression. The depression began in Europe and in the United States, and by the time it was felt in Canada, a Conservative government, under Mr. Bennett, was in power. It was not until 1935, under Mr. King's administration, that the Canadian economy picked up strength and, following the war, got started on the most rapid expansion period in its history.

Such is the kind of respect the hon. member shows for the truth when he speaks.

Again on page 27, he asks another question:

We have had the Liberals in Ottawa for 22 years; did they provide us with a steadily growing economy?

Further on, on page 35 he replies to that question:

You have tried the Liberals for years, and you have already tried the Conservatives for four years, but the results have been the same.

How can the hon. member for Villeneuve dare to deceive his fellow citizens in such a way? Either he is not aware that he is distorting the truth, and that is unforgivable for a party leader; if he is aware of it, then, he is not worthy of the trust he is seeking.

Let us consider the facts.

First, the economic field. We have experienced a constant economic growth over the 22 years of Liberal administration. Over that period, our country enjoyed the highest development rate in the world. Our national product, which was estimated at $5.6 billion in 1939, rose to $11.8 billion in 1945 and $30.5 billion in 1956. How can the hon. member for Villeneuve state that under the Liberals Canada experienced prosperity only during the war years?

But that is not all. The national product, in constant dollars and per capita, increased by 22 per cent between 1949 and 1956 but decreased by 4 per cent under the Conservative administration.

From 1949 to 1956, unemployment averaged 3 per cent of the labour force while under the Conservative administration, it averaged 6.5 per cent.

Since 1957, of all industrialized countries, Canada is the one whose economy experienced

the slowest rate of growth. How can the hon. member for Villeneuve state that the Liberal and Conservative governments produced the same results?

But there is also the social legislation. Until 1957, the Liberals elaborated our whole system of social security: unemployment insurance, family allowances, old age pensions, pensions for the blind and the disabled, unemployment assistance, hospital insurance, housing aid, support prices for the farmers.

And you talk about respect for the dignity of man? Are there anywhere laws which have respected man and his dignity more than those?

It is true that in 1957 the Conservatives increased some pensions, but they did not introduce any new legislation in that field.

Here is another series of erroneous statements made by the hon. member for Villeneuve, at page 37 of his book. Listen to this:

> Mr. Pearson was a member of a Liberal government in Ottawa from 1939 to 1945, a period of six years. During those six years, Mr. Pearson and the former federal ministers as well as the Liberal prime ministers of that time, went into debt, increased the national debt of Canada by $17 billion.

And a little further on, on page 38, the hon. member for Villeneuve continues:

> —as for the national debt, an increase of $17 billion under the Liberals, an increase of $3 billion under the Conservatives.

I wonder, Mr. Speaker, how a member can so garble the facts and distort the truth as does the hon. member for Villeneuve in making such a statement?

First, I wish to remind him that, from 1939 to 1945, the leader of the present Liberal opposition was not a member of the government. He became a member of it in 1948 and from that date up to 1957, our national debt, far from increasing, decreased by almost $2.5 billion. Why did the member for Villeneuve fail to mention this essential fact? Indeed most other countries were getting deeper into debt during that same period while in this country our debt was decreasing. And why did he fail to compare that reduction of $2.5 billion with the $3 billion increase that occurred under the Conservative administration?

But even during the war, the net debt of our country increased from $3.2 billion in 1939 to $11.3 billion in 1945, which makes for an increase of $8 billion instead of $17 billion as stated by the hon. member for Villeneuve.

[Mr. Chevrier.]

On page 20 of his book, the hon. member continues:

> As a matter of fact, there are only two Canadian provinces where there is no provincial direct tax. And Alberta is one of them—

That is another lie, another falsehood. Indeed, I cannot believe that the hon. member is unaware of the fact that all provinces levy direct taxes and that Alberta, for one, collects income tax on corporations and private citizens, in addition to succession duties.

On page 91, I find this other quotation which the hon. member for Villeneuve repeated in his speech the other evening:

> Mackenzie King said in 1935: As long as a country has no control over its money, it makes no difference who enacts the laws, because he controls nothing.

The hon. member went on as follows:

> Unfortunately, Mackenzie King never did anything about it when he was in power in Ottawa.

That again is false. The hon. member for Villeneuve knows I hope, that the Bank of Canada controls credit and money in our country, and that it became the exclusive property of the state after 1935, thanks to Mr. King, and started to operate as such in 1937.

I could thus continue quoting indefinitely the numerous falsehoods which were repeated not only by the hon. member for Villeneuve but by several Social Credit leaders.

Mr. Deschatelets: All of them.

Mr. Chevrier: Having forgotten the numerous benefits given to them by Liberal governments, after five years of Conservative mismanagement, the electorate believed the Social Credit's deceitful propaganda. They imagined that the Liberals had been just as bad as the Conservatives and they mistook the Socred leaders for men of good faith.

This kind of propaganda reminds me of the one used by the Conservatives, under the leadership of the Prime Minister, when they claimed before and during the electoral campaign, that everything was going well in Canada.

Mr. Bourbonnais: It is true.

Mr. Chevrier: Besides the unjustified pretention that the Social Credit would have elected a great many members outside Quebec, and beside falsehoods he spread concerning the Liberal party in an effort to assimilate it with the Conservative party, the hon. member for Villeneuve also tried to convince

the people that the Social Credit doctrine was the only solution to their troubles. I trust I have refuted the arguments of that simple doctrine at the beginning of my remarks.

Mr. Speaker, I should like to mention another contradiction equally flagrant of which the hon. member for Villeneuve made himself guilty. At page 92 of his book, we find:

Under the present system—

An hon. Member: It is not his book.

Mr. Chevrier:

Under the present system, the chartered banks create money and credit according to their whim and fancy. They create much of it in times of war and make it scarce in times of peace.

That quotation calls for several explanations. First of all, it is true that the commercial banks seek to make profits. But what is so disgraceful about that? It is precisely what private enterprise is looking for, this private enterprise which the member for Villeneuve and his Social Credit chiefs want to preserve and protect. Is the desire for gain a bad thing for commercial banks and a desirable one for other enterprises? Mr. Speaker, it is absolutely false that banks may "create money and credit according to their whim and fancy".

That statement might have been true when Major Douglas was writing, just after world war I, at a time when there was no central bank in Canada, but since 1937, in this country, it is the central bank that creates money and credit and determines the amount of currency, while commercial banks are reduced to the role of retailers.

Yet, in spite of this statement, Social Crediters continue and will continue to say that it is the commercial banks that "create money and credit in our country according to their whim" whereas the situation is completely altered since the Bank of Canada was established.

Besides, the member for Villeneuve contradicts himself on this vital question when he says, as can be seen on page 26 of his book:

Ladies and gentlemen, it is parliament which has entrusted to the Bank of Canada—and note this—the task of regulating credit and money. The bank is authorized by law to issue credit by the purchase of bonds from the government of Canada, the provincial governments . . . etc.

But then, if it is the Bank of Canada which is in charge of controlling credit and money, the chartered banks thus cannot create money and credit to their whim and fancy, as was claimed by the Social Credit leaders. We find there, right from the start in the Social Credit reform, a glaring inconsistency.

When the Social Credit leaders say that they would take away from the chartered banks the privilege of creating money and credit, on their own admission they intend to break through an open door because this has been the exclusive privilege of the Bank of Canada ever since 1937. All the chartered banks do at present, is to divide among their customers the credit created by the Bank of Canada, just as the automobile dealer allots to his customers, if any, the cars which have been sent to him by the manufacturer.

Like the hon. member, I should like—

(Text):

Mr. Deputy Speaker: Order. I am sorry to inform the hon. member that his time has expired. The house would have to give unanimous consent, as the hon. member's time has expired. Does the house give unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Deputy Speaker: I hear a dissenting voice. I recognize the hon. member for Waterloo South.

Mr. Byrne: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: I will hear the hon. member for Kootenay East on a point of order.

Mr. Byrne: I should like to ask the Chair at this time how the house proposes to deal with the naming of the hon. member for Bellechasse, since it should have been dealt with at the time the hon. member was named, according to citation 134 of Beauchesne's fourth edition.

Mr. Deputy Speaker: The question raised by the hon. member for Kootenay East should have been raised at the time the incident occurred. In my view it is now too late to put the matter to the house.

An hon. Member: Call in the Speaker.

Mr. Byrne: It will be a question of whether the member is to return to the house. This is a question of privilege for all members. When they are named they may not know whether they are named for a period of time, such as for the day, or whether they shall be expelled from the house.

Mr. Deputy Speaker: As I said earlier, this is a matter that should have been raised at the time the incident occurred. We are on the throne speech debate, and I now call on the hon. member for Waterloo North.

Mr. O. W. Weichel (Waterloo North): Mr. Speaker, it is indeed a privilege to congratulate you and your deputy and chairman of committees, on your appointment to the important positions you hold in this house.

I should also like to express my sincere congratulations to the hon. member for Waterloo South, my next door neighbour and a very close friend of mine, and to the hon. member for Nicolet-Yamaska for their excellent speeches in moving and seconding the motion for an address in reply to the speech from the throne.

Mr. Speaker, as the representative of a constituency which is a perfect blend of industry and agriculture, I am pleased and indeed elated at the proposals put forward to assist these two facets of our commercial and business life. As a member of parliament who has worked and fought for his country, I am also happy to hear of the plans to eradicate the major problems facing Canada. I am sure that our government has met these problems head-on with a view to improving the lot of each and every one of the 18 million Canadians and to making this country an even better place in which to live.

To my constituency the encouragement our expanding export program will receive means much. The bustling, thriving metropolitan area of Kitchener-Waterloo, as well as the surrounding smaller municipalities, cannot help but benefit from such things as the production incentives planned, the enlarging of the scope of the Export Credits Insurance Act and the industrial development bank. These agencies should be able to give valuable assistance to business, particularly in the essential task of expanding sales in foreign markets.

Plans for the establishment of a national economic development board I feel will be welcomed by my constituents, as well as by everyone in Canada who has the economic interests of our nation at heart. I am sure this board can serve a useful purpose in guiding private and public development.

While further budget measures are planned to meet our problems, the fiscal plans announced will, I am confident, create better employment opportunities for Canadian people, promote economic growth, strengthen Canada's balance of international payments and help maintain price stability. The farsightedness of our government is evident in the proposals to create new jobs over the coming years and to assist employers and workers in meeting the impact of automation. Such a broad attack on unemployment, one of our major problems for the past several years as well as a giant-sized headache for our neighbours south of the border, will surely be hailed by industry and workers across the nation.

Our government, which has done more for the farmer than any previous government, has not forgotten him in this speech. The plan to convene a national conference on agricultural training this fall is a further step in improving the lot of the farm population.

While many people may have thought the issue of a national flag has been dropped, the speech shows that this is certainly not the case. As one who has spoken in this house on a distinctive flag, I am happy to see that moves are being made toward this end.

As everyone can see, the speech from the throne is extremely comprehensive and makes a determined effort to face the problems confronting Canada, whether they be economic or nationalistic. Our leader, Prime Minister Diefenbaker, could have played safe by keeping his legislative program as non-controversial as possible. Instead he has taken a bolder and more constructive course with a view to eliminating our difficulties. He has announced his intention of balancing the budget, a course which will improve our reputation among the nations and investors throughout the world. He has attacked the unemployment problem and aimed at strengthening the economy and boosting our export volume. He has outlined a variety of plans for improving the health of the country as well as that of the individual. He has also said he plans a budget which will attack even more of our problems.

Mr. Speaker, a little more than a year ago a bill was passed in the House of Commons and the other place to provide $5 million for physical fitness and amateur sport. This announcement caused a great deal of interest among the youth of our country and others. Our government was given high marks for bringing about this legislation.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Weichel: Mr. Speaker, just before one o'clock I had mentioned that a little over a year ago a bill was passed by the House of Commons and the other place to provide $5 million for physical fitness and amateur sport. This announcement, as we all know, caused a great deal of excitement and interest among the youth of our country and others. Our government was given high marks for bringing about this legislation. Some time later 30 distinguished men and women

from across Canada were appointed to serve on the national advisory council on physical fitness and amateur sport to carry out the duties of such an important council. I mention this, as much good work has been done by this council up to the present time.

Perhaps one of the most important grants has been the one extended to the Royal Canadian Legion, dominion command, which provided funds for their program of expanding track and field activities through the facilities of a school for coaches representing every province in our country. I had the privilege of attending this school at Guelph, Ontario, which was under the supervision of Mr. Dyson of England, one of the greatest coaches in the world. In interviewing this fine gentleman I was deeply impressed with the set-up of such a program, and in talking to some of the athletes and coaches attending the school I found that in their view the benefits of training under this great coach were much greater than they had expected. They felt that with such coaching they could go back to their various training centres and teach these methods to the advantage of all sportsminded youth. I understand that the Royal Canadian Legion, the sponsors of the coaching school, are endeavouring to secure the services of Mr. Dyson on a permanent basis. If this effort is successful it will be a real step in the right direction.

From the grant that the Royal Canadian Legion received they provided some funds for the eastern track and field meet held last August in Waterloo, Ontario, and sponsored by the Legion branch of that city. This money helped to defray some of the expenses of bringing many athletes from every part of Canada. With nearly 500 of our youth participating in these events, this competition proved to be one of the best ever held in Canada, with many records equalled or broken. The Royal Canadian Legion branch at Waterloo in my riding deserves a great deal of credit for their wonderful efforts, and if some financial assistance can be forthcoming from year to year great strides will be made in track and field in Canada, with the important result that such efforts will help to build healthier bodies and healthier minds.

Before long Canada will again be sending a hockey team to compete with other countries for the world's hockey championship. I understand that with this in mind Father David Bauer of the University of British Columbia has brought forward a proposal to some of the members of the national advisory council and to the Canadian Amateur Hockey Association that such a team could be organized by the university where these players would have an opportunity of playing together for a longer period, something that has not been done previously. Such a proposal should receive consideration by the council and the Canadian Amateur Hockey Association. The efforts of our government regarding this program, supervised by the Minister of National Health and Welfare (Mr. Monteith), along with the good work of the members of the national advisory council on fitness and amateur sport, are very commendable.

Some hon. members have mentioned the importance of education. May I say that most of my life I have been very interested in the three great assets of our youth, Christian training, education and recreation. For that reason I was pleased to receive the booklet "Youth Appreciation Week", an event to be held from November 12 to 18 and sponsored by the Optimist clubs. I believe the objectives in this booklet are worth repeating. They are:

To recognize the accomplishments of youth in the home, school, church and community.

To promote more active participation by families in family affairs.

To encourage groups and organizations to publicly show their respect for youth.

To encourage newspapers to devote more space to news of the 95 per cent of youth who are good citizens.

To encourage radio and television stations to recognize youth through special as well as regular programs.

To encourage national magazines to recognize the accomplishments and contributions of youth.

To provide the proper environment, recreation and social activities for youth.

To encourage parents to rededicate themselves to the responsibilities of parenthood.

To illustrate the great influence religion has on the lives of youth and to encourage their active participation in religious activities.

To encourage a greater interchange of ideas between adult and youth, leading to a broader understanding of the problems of each.

May we continue our advice and assistance to our fine youth in Canada, in the full realization that the youth of today will be the citizens of tomorrow.

In closing, I should like to say one word on another subject, Mr. Speaker. As one of the few retired civil servants sitting in the House of Commons, and one who gave nearly 36 years to the civil service commission under different governments, I am still very interested in the welfare of my former associates in this service. For many years the salaries of the members of this service could not be classified as extravagant. I can well remember when my salary was not as great as that of a foreman working in most industries. However, some improvements have been made by our government during the last four years, and I am pleased to see this. We pride ourselves upon having the best public service in the world. This is the result of the conscientious effort of most of these men and women in the performance of their daily duties. Thousands of such servants reside in my riding of

Waterloo North and are making a fine contribution to this work. Many qualifications and obligations are expected from these civil servants. Perhaps one of the most important of these would be their loyalty to the civil service commission and the government. Disloyalty could well mean the loss of their position, as we all know.

The recent recommendations made for the federal public service outlined proposals for negotiation, conciliation and arbitration. I hope our government will give consideration to these recommendations at an early date.

I could mention the expansion and development of our industries and agriculture, as well as the universities in my riding. However, I know there are plenty of new members who would like to speak so I will cut my speech short. As noted previously, I am happy at the proposals in the speech from the throne. I am sure millions of my fellow Canadians feel similarly and will take part at the plans our government has outlined for the betterment of our great nation.

(Translation):

Mr. Jean Eudes Dube (Restigouche-Madawaska): Mr. Speaker, my first words in this august assembly will be to congratulate you. Allow me to join with the distinguished and experienced members who preceded me in supporting also the unanimous decision of the house to appoint you to your present office.

I believe you are the first French-speaking Speaker to come from a province other than Quebec.

Since I come myself from New Brunswick, I especially rejoice in this great honour which reflects not only on you, Mr. Speaker, but also on all minorities in the other provinces of our country.

I should also like to congratulate the mover (Mr. Chaplin) and the seconder (Mr. Vincent) of the address. They performed very well their task which was difficult indeed. Needless to say that I do not necessarily share their views, but if I may recall a word by Voltaire:

I disapprove of what you say, but I will defend to the death your right to say it.

My first duty, Mr. Speaker, is a very pleasant one; I wish to express my thanks to all my constituents. The people of Restigouche-Madawaska put their faith in me and I will always try to be equal to the task they have set me.

Mr. Speaker, while looking through the official reports for previous years and listening to the speeches of the members who spoke before me during this debate, I realized that quite often, in their first speech, the members praise their riding's natural beauties.

Mr. Speaker, I am sure that former members for Restigouche-Madawaska often had the opportunity of describing to you the enchanting decor of the Restigouche valley and of the magnificent republic of Madawaska which is situated along the fabulous Saint John river.

My immediate predecessors did not sit on this side of the house, but I am sure that, in the near future, I will be sitting on your right since that is the wish not only of my constituents but of all the Canadian people.

(Text):

However, Mr. Speaker, if I do not indulge today in a poetical description of the scenic beauties of my riding, I do wish to bring before this house the needs of my people. There is perhaps more unemployment in Restigouche-Madawaska than in any other part of this land. Last March the unemployment figures reached fantastic proportions and over 51 per cent of our major force was unemployed. Yet, Mr. Speaker, I still hear a voice saying—we cannot help but remember these words—"As long as I am Prime Minister of Canada no one, not one single fellow Canadian will suffer from unemployment." However, there are thousands of fellow Canadians in my riding who do suffer from unemployment and with this austerity program I am afraid that many, many more will be suffering great hardships. If the Canadian economy is booming, as we were told by many speakers from the opposite side, why not have some of it boom our way?

During the speech from the throne mention was made of the fact that the economy was booming indeed. I quote:

Economic activity in Canada has moved ahead sharply. This strong advance has resulted in more than 200,000 new jobs during the past 12 months. The objective of my government is to accelerate this pace of advance.

In order to accelerate this pace of advance in Restigouche-Madawaska, Mr. Speaker, there are a few local projects that should be proceeded with immediately, and I will deal with those projects very briefly:

1. A complete study of the fishing facilities in the Jacquet river area with a view to constructing additional wharves where needed. At the present time, local fishermen have to put up with a disgraceful situation.

2. Crib walls at Charlo and Richardsville to keep what is left of the coast.

3. A federal building with post office and R.C.M.P. tenements at Eel River.

4. Wharf fill and storage shed for the Dalhousie federal wharf.

5. Development of the Sugarloaf mountain in the Campbellton area or other suitable site for scenic and recreational facilities as a federal park.

6. Immediate dredging of the Restigouche river off the Campbellton federal wharf as recommended by federal engineers.

7. An airport in the lower end of Madawaska county.

8. Immediate start on the federal building in Edmundston for which land has already been purchased.

These are but a few of the federal projects which are vital to my riding and I strongly urge that they be proceeded with as soon as possible in order to provide work for the people now and possibly throughout the winter. Indeed I fear for the hardship and suffering which many of the people in Restigouche-Madawaska may have to endure this winter.

These are critical times and I expect the government to rise to the occasion and offer solutions for our national problems. But there was little in the speech from the throne to indicate that the administration intends to show initiative and positive leadership. That speech reminded me of an old ditty which is best applied in reverse—something old, nothing new; something borrowed, everything blue.

(Translation):

Mr. Speaker, I was particularly surprised to read in the speech from the throne that we would be called upon to abolish the closure rule and to reinstate the special committee on procedure, because I believed that closure had been abolished some five years ago by the present administration. Was not the closure issue one of the main factors behind the victory of this administration following the pipeline debate? I was under the impression, Mr. Speaker, that the first move of the Prime Minister, after achieving victory, would have been to abolish closure. But to our great dismay, we find that nothing has been done in that connection, and that the rule of closure is still in force.

On the other hand, I was both happy and surprised to learn that the speech from the throne provided for:

—the establishment of an Atlantic development board to advise on measures and projects that will promote the economic development of the Atlantic region of Canada.

I was pleased because at long last the government acknowledged our needs, but I was surprised because no definite measure, nothing concrete was suggested, no definite project was proposed.

The speech did not mention the causeway between Prince Edward Island and our province. This was, however, the last very solemn promise made by the Prime Minister on the eve of the prorogation of parliament. Has the Prime Minister changed his mind, now that the people of the island gave him their four seats in the house? Does he imagine, by chance, that these fine people will fall again into such a trap?

The speech did not mention the Chignecto canal. It is, however, one of the projects that interest most of the population of our eastern provinces.

Will this development board, which is mentioned in the speech from the throne, be only another one of the numerous royal commissions set up by the government which travel throughout the country to look into problems and publish books which gather dust in the Prime Minister's office?

If it is this government's sincere intention to help the maritime provinces, there will be no need to set up a complex machinery which usually leads nowhere. If this government sincerely intends to help the maritime provinces, all that it needs to do is to start living up to the promises it has made to the people of those provinces over the past five years.

Let the government make an immediate start on the island causeway. Let the Chignecto project be put under way. Let it give more substantial aid to our provincial governments. Let it grant tax rebates to industries which locate there. Let local public works projects such as those I have just mentioned be put under way immediately.

Our people do not want more promises from the government; they do not want any more royal commissions to study problems. They are asking for some bread on the table and for the right and the opportunity for the head of the family to earn a living. What we want is to be on the same level, economically, as the other provinces in the nation. We simply want a place in the sun, as first class citizens.

(Text):

The great majority of the Canadian people, 63 per cent of them, showed on June 18 that

they had no confidence in the present administration. In New Brunswick we doubled the number of our Liberal seats, and now that we know the truth we shall do even better in the next election, which I hope will come soon.

During the election campaign the government succeeded in hiding the financial crisis Canada was in, and government spokesmen were telling the people, as I said before, that the economy was booming. On June 14 the Prime Minister stated this on television:

> We have bared the record. We have concealed nothing. We have shaded nothing.

Those of us who held the opposite view were called prophets of doom and gloom. Yet, on June 24, six short days after the election, the Prime Minister was forced to go back before that same television screen and finally tell the people the truth, disclosing the financial crisis which he had been hiding and announcing his austerity program thereby creating, for the first time in modern Canadian history, as I believe was said yesterday, extra taxation and legislation by television. On that ground alone, on the ground of having concealed the truth, the Prime Minister has lost the confidence of the nation.

Duly elected members of this house, whatever their political affiliations may be, have a moral duty not to support what is contrary to our Canadian principles. Last night we all saw what took place, a strange and fantastic alliance coming together, the Social Credit members to my left and the social debit members to my front. If those two go on sleeping together too often they will lose what is left of their respective reputations.

Another breach of our most sacred parliamentary rights was the refusal to call parliament into session as soon as feasible after the election. This should have been done, first to seek a vote of confidence from the house and, second, to advise the house as to what position this government intended to take at the commonwealth conference.

I submit that the Prime Minister (Mr. Diefenbaker) took the narrow view at the commonwealth prime ministers' conference. He failed to adapt his mind to a changing world. He took the old line Conservative approach when the world was crying for broad, modern Liberal thinking.

The free nations of Europe for the first time in modern history are trying to unite themselves for their common good. They are succeeding. The common market is the first step in the ultimate goal which is one free Europe united in peace and prosperity. Who are we, or who does the Prime Minister think he is, to sail across the seas and to wave the red flag of the past in an effort to stop the traffic of the future?

This is the second half of the twentieth century, yet our present Canadian government would have us chained and shackled to trade patterns which were obsolete even before they were born.

To be sure, we want to keep the commonwealth alive; but we want a progressive and prosperous Great Britain, and Great Britain cannot, in my humble opinion, become progressive and prosperous outside the common market. It is obvious to any mind—that is, to any mind which can accept and digest reform—that once the common market walls go up around free Europe, the "tight little island" will be left behind and miss her opportunity to soar into the future with her prosperous neighbours. It is our duty to help Great Britain join the new club. We don't want to be tied to her apron strings, yet we don't want to be her ball and chain. Great Britain's entry into the twentieth century club will ensure her prosperity and at the same time will provide us with a prosperous market for our exports.

Above all, Great Britain's entry would satisfy us that the British experience in democracy can become a cornerstone in the new building. The free nations of Europe could use some of the stability and political maturity of English statesmen who were born in the shade of Westminster and brought up by the mother of parliaments.

To help Great Britain into the common market should be our first aim. Our second purpose should be to secure for us, for Canada, closer economic ties with the European economic community.

We already have NATO, thanks to the broad approach of the Right Hon. Louis St. Laurent, a real man of vision. Why does not the present administration wake up and sponsor a new form of North Atlantic Treaty Organization to deal with the present challenge? Why not organize all the nations of the Atlantic area, not into a market but into a super market? Perhaps the present antiquated Conservative administration is not aware that over the past few years the supermarket has replaced the corner grocery store. The corner grocery store is still handy after hours, and perhaps on Sundays, but the price is better and the price is more varied at the supermarkets. In the days of the Right Hon. Mackenzie King and in the days of the Right Hon. Mr. St. Laurent, when our present leader, (Mr. Pearson) was secretary of state for external affairs, Canada had a strong and persuasive voice in the councils of the world. Canada was not only the link between Great Britain and the United States; she was also

the leader of all the small powers of the world. Our then secretary of state for external affairs was accepted as one of the world leaders whose advice and good common sense was sought by all. If I may say so, Mr. Speaker, as I look across to the opposite side of this house I see no further material for the Nobel peace prize.

In the speech from the throne I saw nothing which could add even an idea to the international field. From the point of view of foreign affairs, as well as from the point of view of national affairs, it was an empty speech.

The world around us is changing and changing fast. The United States of America have elected a new, young, dynamic president. The modern nations of Europe have united to form a common market and are forging ahead, but our present leaders are standing still. They have nothing to offer; their sole ambition is to hang on to their seats.

The plane is flying in all directions and they fasten their safety belts while asking the taxpayers to tighten their austerity belts. So we are all belting in a state of fantastic confusion.

I submit that the speech from the throne is nothing but a makeshift arrangement, a loose gimmick in order that the Social Crediters may support the government and still save their faces. So these 30 printed money boys who were lions on the hustings during the campaign have become story tellers talking about rabbits, monkeys, worms and little dogs who have lost their way. They have two leaders—a leader and a co-leader. Now they have found a third leader, an old social debit fox who also lost his way and who soon will lose his power as well.

(Translation):

Mr. Speaker, if all the members of the group I mentioned earlier are satisfied with the austerity program, I, for one, prefer much more such prosperity as has been described by our leader, Mr. Pearson, in the splendid speech he made last Monday.

The positive program of Liberal prosperity can alleviate unemployment. The hazy austerity program of the Conservative can only aggravate the situation.

On behalf of the large families in my riding, I mention with joy the intention of the leader of the Liberal party, when he is prime minister, to extend until the age of 21 the family allowances to the children still in school.

As far as I am concerned, I should also advocate an increase in family allowances proportionate to the pace of the national economic development.

Mr. Gregoire: Where are you going to get the money? You did not have any in 1957.

Mr. Dube: Mr. Speaker, before concluding my remarks, may I repeat how grateful I am to the voters of my constituency and assure them that I shall work without respite in this house to defend their interests, for the benefit of the country.

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, my first words will be to wish you a good deal of patience and courage in front of the group of members in this house.

I should also like to extend my heartiest congratulations to the mover (Mr. Chaplin) and the seconder (Mr. Vincent) of the address in reply to the speech from the throne, who managed to call forth a rather extraordinary eloquence and enthusiasm in spite of a meaningless speech from the throne. They certainly showed great virtuosity in their performance.

Mr. Speaker, I also wish to congratulate the two Social Credit leaders of Canada, the hon. member for Red Deer (Mr. Thompson) and the hon. member for Villeneuve (Mr. Caouette), because they gave the house a lesson in practical solutions. After hearing all those speeches, I am still convinced that they are the only ones who have brought us concrete and positive answers to the problems that face us today. Once again, I extend to them my sincere congratulations.

Mr. Speaker, I also wish you to know that since I have been here, both in this house and elsewhere in Ottawa, I have been able to notice that all those I have met, from all sides of the house, have been extremely kind and considerate towards us. We thank them and wish to tell them beforehand that the battle we shall fight here will not be against men as individual persons, it will be a struggle for certain principles, for certain ideas which we shall uphold in this parliament the same way as we upheld them before the voters in the last election campaign.

Mr. Speaker, I have been in this house only a few days and I strongly feel that the old parties, and the socialists as well, are so wrapped up in the dust of routine and political manoeuvring that I am more and more convinced that it is not from them that we may expect the solution to our problems and the cure for the economic crisis we are now going through.

After the defeat of the Liberal party, in 1957, the ex-prime minister, the Right Hon. Louis St. Laurent, imputed it on the fact that

they had kept away from the people. Looking at the way the house is made up today, I must say that things have not changed. The Liberal party has not gone nearer the people.

When I see today the Leader of the Opposition (Mr. Pearson), the leader of the Liberal party, in this very House of Commons of the federal parliament, sitting right next to the director of a chartered bank, before the whole nation, I can only suggest that the Liberal party, not only has not drawn nearer to the people, but has gone nearer to the financial world, which is the best way to go further away from the people.

To be near the people, one must start by drawing away from the financial interests which have always exploited the people, for the people never get but their crumbs.

Oh, I have heard the famous plea made by the director of a chartered bank, the hon. member for Laurier (Mr. Chevrier), who has very ably protected the interests of his masters in this house. Besides, I am convinced that he has nothing to lose, for when his constituents find out that he is betraying them for the benfit of the financiers, the financiers will give him the reward he will have earned.

Mr. Speaker, reference was made to the trickery of the Social Credit leaders, and the voice putting forward that view in this house is that of the member for Laurier, who, when he blames the Social Credit members for being deceitful and claims to base his views on serious economists, is in direct contradiction of the economists of the country and even of those of the Liberal party. For while the hon. member for Laurier claims that the chartered banks do not create money and credit in the country, the economists of the Liberal party themselves state quite the opposite. And to quote only a few, I will mention first of all the ex-provincial secretary of the Liberal federation of Quebec, Mr. Rene Tremblay, who has squarely and categorically admitted in front of the people, on television, that money and credit are created by chartered banks in our country.

The hon. member for Laurier will still have something to learn from the economists of his party, unless he prefers to grovel before those who control finance, his colleagues.

The Liberals, Mr. Speaker—

An hon. Member: Shawinigan.

Mr. Gregoire: The Liberals—Shawinigan. It is nevertheless the Liberal party which enabled private industries to set up in the province of Quebec.

[Mr. Gregoire.]

The Liberals, with their 56 fine promises, who during 22 years had the chance to fulfil them—

An hon. Member: That's it.

Mr. Gregoire: —what have they done? They wore the seat of their pants threadbare on parliament's benches.

The people threw them out in 1957. But over a period of 22 years, they never agreed to give us a national flag. Since they have been sitting in the opposition—

An hon. Member: Six.

Mr. Gregoire: To top it all, they promise two flags. Please note: two.

When the Leader of the Opposition, the leader of the Liberal party, came into my constituency during the last election campaign to make speeches, which changed nothing, I myself had the opportunity of hearing him promise "distinct" flags and not "distinctive" flags.

Gentlemen, will you try to explain to us what that means "distinct and not distinctive".

These people, who never promised any flags now promise two. And they talk about hypocrisy. But where are the hypocrites?

They call us—as the hon. member for Restigouche-Madawaska (Mr. Dube) did a moment ago—story tellers. But who told tales to the people for 22 years, if not the Liberals?

They are responsible for the economic crisis we are currently going through, even though the Conservatives have shown their utter incapacity to remedy it.

Mr. Speaker, the Liberal party is not the only one in the wrong, both old parties are. You can put them both in the same pot, stir a little and you will never be able to say which is which when they come out.

Besides, for two years it has been said that the Liberals and the socialists look much alike. I noticed that the hon. member for Assiniboia (Mr. Argue), while he sits among the Liberals, can still support the same creed he was supporting when he was in the socialist group. Therefore, I feel that the only difference is in the seating arrangements; on all other points there are no differences.

An hon. Member: May I ask a question of the hon. member?

Mr. Gregoire: Mr. Speaker, I am not afraid of questions, I will use the last five minutes of my time to reply to hon. members.

Mr. Speaker, I am sorry to find that the present government, the administration which is still temporarily in office—one must admit it—is so blind that it is not aware that the

present restrictive measures constitute a policy of austerity. It is sufficient to notice what is going on in this country, that is the stoppage of work and expansion of our country, to become convinced that we are fully in a period of austerity.

The best advice I can give the government is to open its eyes wide before it is too late and to apply advices and suggestions willingly given him by the Social Crediters, not to get notoriety but in the interest of the population, since we are all here to serve and not to play politics.

Perhaps in creating so many royal commissions, the Prime Minister hopes that some day he may need enough commissioners to give work to all the unemployed. However I doubt it very much.

When one stops to think of the numerous committees, royal commissions, statistics bureaus, investigation committees which have been set up across the country, one would think that the members were sent here by their constituents in order to study on school benches as children do.

That is not what the people want, Mr. Speaker. What the people expect of us, of all of those who are gathered in this house, is not consideration but action. They want definite steps to be taken in order to halt the present crisis and solve our problems. That is what our constituents expect of us.

If the government in power has nothing to offer, they should accept our proposals. Some will say that those are simple-minded answers, but then, some people get lost in problems, such as the member for Laurier did this morning when he attempted to explain the workings of Social Credit.

Indeed, had I not known my way around in politics I would have wondered, after hearing him explain Social Credit as he did, what the Social Credit thinking actually is.

He fashioned his own; it is easier to knock down. What is the reason for that? Because he never even took the trouble to study what is Social Credit.

He would rather have his own opinion of it because his objective is not a healthy administration but the destruction of the other political parties and the pushing forward of his own instead of welcoming the suggestions of others. At such time he chooses to run down instead of welcoming real solutions.

Mr. Speaker, the Leader of the Opposition himself—and on that account we must believe that Social Credit is not all bad—the Leader of the Opposition himself, in his three and a half hour speech so lengthy and so dull, managed to be interesting for five minutes while dealing with some aspects of Social Credit.

An hon. Member: Who established family allowances?

Mr. Gregoire: I will deal with that during the last five minutes of my speech. At any rate, family allowances should have been raised, but it is the taxes which go up instead. You take money from one individual to give it to another. You may give $6 in family allowances but you take back $10 in taxes. Mr. Speaker—

An hon. Member: Who instituted family allowances?

Mr. Gregoire: —the Leader of the Opposition has seen fit to refer to several points of the Social Credit platform, amongst others family allowances to Canadians, from the ages of 16 to 21, who continue their studies.

An hon. Member: It was a Liberal government which established family allowances.

Mr. Gregoire: However, it has been part of our platform for a long while.

We have been recommending the establishment of a municipal loans agency for 20 years. When they were in power, the Liberals did nothing about that. But, have you noticed, Mr. Speaker, that when the Liberals make promises like that, nobody gets up to say: "Where are you going to get the money?" No, no one bothers. Do you know why? Because everybody knows perfectly well that the Liberals will never keep their promises; they have never kept any promise.

An hon. Member: We have always kept our promises.

Mr. Gregoire: There is a member, Mr. Speaker, to whom we shall soon send a cork so that he may plug his jug.

An hon. Member: I have one for you.

Mr. Gregoire: Mr. Speaker, it is the same thing for all the promises made to the people during the electoral campaign.

An hon. Member: Hail Hitler—

Mr. Gregoire: —but we are not going to deprive the people of what little they have and to take their earnings away from them by means of taxes. Now the people are not much better off. The government makes paupers out of them, and then gives them a little more, but in the long run, it amounts to about the same. Social Credit would instead bring the Bank of Canada to reason.

I know that this will not please too much those who, in this house, speak in defence of the chartered banks. But, in so doing, the Bank of Canada will have control of money and credit in our country instead of the chartered banks, which will be unable then to set the purchasing power according to their whims, because from then on it will be set according to logic, according to the production, according to the work of the people. In that way, when our people will have worked hard to produce, they will be able to buy what they have produced.

Mr. Speaker, I went around the beautiful riding of Lapointe, last June 18, to meet my constituents. To all of them, I asked this question "What do you expect from us in parliament?" What do you want us to do for you? And the reply was unanimous. Besides, I am convinced that if each one of us visited his constituency, he would get the same answer: what we want is work; what we want is a solution to the unemployment problem; what we want is work for our people so that they may earn their living honourably in Canada, a country which is overloaded with wealth and which is able to provide a living for everyone.

Mr. Speaker, for those reasons, and since it is the people's wish, we, the Social Credit members, are asking without any political partisanship that the government introduce in Canada a vast public works program, a program which, from coast to coast, will serve to attune this country to the rhythm that twentieth century progress can allow.

There are hospitals, colleges, universities, bridges, roads and several other things that should be built. And yet, even if we have the necessary materials to build all those things, even if we have the steel, the labour and the engineers, even if we have the asphalt, the bricks, the plaster etc. for all that, our government seems to prefer to leave our people unemployed.

Mr. Speaker, we suggest there is a way of carrying out those projects while leaving at the same time the provinces free to act in their own areas. But the government should then see to it that the Bank of Canada becomes, not only the bank of the central government, but also the bank of the provinces and of the municipalities, in other words, the bank of the whole people, so that the provinces may secure from the Bank of Canada interest-free loans to carry out those projects which are essential to our country; this not only will enrich our people, but will also contribute the development of their security and their freedom.

Mr. Speaker, there are many projects which should be carried out at the federal, provincial, municipal and school board levels. But strange as it seems, the governments nearer to the people, those with the most urgent works to carry out, are precisely those with the least income, while the central government, which is farther away from the people, grabs the largest share of the taxes. The municipal government, the most important one as far as the private individual is concerned, the one closest to him, the one which has to build streets, waterworks, maintain fire and police departments, carry out maintenance work, is the one with the fewest sources of income.

The federal government's responsibilities towards the private citizen are much smaller, less important. And, what matters even more, the government which is closest to the private citizen, while it has many projects to carry out, does not have the money to perform the work. Why not let him go to the Bank of Canada, or to the municipal development bank, to try and secure an interest-free loan so that it may build the things it needs.

When you see a municipal council holding a meeting and ratepayers asking the mayor, the aldermen, for a road, a street to be paved, a sewer to be built, a water system to be installed, not a single alderman raises his hand to ask where the asphalt, the machinery, the engineers are to come from. None of them puts that question. All raise their hands to ask where to get money to build this road or these waterworks.

The same thing happens at the provincial level. There are delegations coming to meet the minister of health to request the building of a hospital which is needed so that sick people can be cared for locally. What is the government's answer? We have no money. Always the same answer. If, instead of being asked to build a hospital, these people were asked to build a bank to pile up dollars in it; would it be different? That is the whole thing: no funds.

Mr. Speaker, upon careful reflection, we wonder why, if we have men smart enough to ensure the progress that we witness today and to invent the machines used to develop our country as it is nowadays, why those

very men are completely unable to attune our monetary system to the present realities, to changing conditions.

That is important today, Mr. Speaker. We know that our engineers have discovered amazing production techniques. Our people have courage and are willing to work, but something is lacking: this token, this little note which will allow them to achieve economically what is physically possible.

An hon. Member: I am going to cry.

Mr. Gregoire: I heard a member say he is on the verge of crying. If I were he, I would weep at the thought of the foolishness and stupidity of the system under which this country is carrying on at present. Unemployment and poverty are rampant while means to ensure its prosperity lie dormant.

I remember very well the election campaign of 1957 when the Liberals travelled throughout the country kissing babies and saying that Canada was a rich country.

If the country is rich, why are the Canadian people poor? Where is the country's prosperity to be found?

Pay a visit to the homes of your constituents. Go and see them. Maybe you would find it embarrassing to do so. That may be the reason why you do not know what is going on. Go and see your constituents. Do not give previous notice of your visit through the papers that the hon. member for Laurier or a member for some other riding will be paying a visit to his constituents, because they will hasten to spread out the silverware, dress the children in their Sunday best, and wash the dishes. But if you go unannounced, you will see that the prosperity the Liberal leader was talking about in 1957 is not to be found in Canadian homes.

When boasting about the system we have to bear, Mr. Speaker, they tell us that there are engineers, scientists, and citizens who try to produce in quantity. But it may be recalled that five, 10 or 15 years ago, subsidies were paid to cut down pork production. Two dollars were awarded for stopping each little pig from being born. I advise you, who are going to lose out in the next appeal to the people, to set yourself up in that trade. With $2 for each little pig which is not bred, if you have some ambition, and refrain from breeding 20,000 a year, you may retire from business.

Those are stories about little pigs to add to the tales about monkeys and dogs. That means that inspiration is sought in that area.

Mr. Speaker, when, in spite of a huge production, and in spite of stocking up commodities our people are still in distress, some people keep telling us yet that there is no lack of buying power, but only of the capacity to buy. The proof, it is said, is that people are buying. But we are not told about it, and the hon. member for Laurier also forgot to tell us this morning, because it fits into his pattern that things would go that way, that people would buy on instalment plans, and be exploited by finance companies jointly with the chartered banks. People keep on buying furniture and other similar items and paying twice the price, because they are forced to resort to instalment buying, which is an exploitation of the public with the co-operation of the chartered banks.

We shall also be told—and I was surprised to see how many there are in this house who always have pressing and urgent questions to ask as soon as the house meets and begin to speak about foreign markets, and the necessity to find some outlets here and there. Mr. Speaker, here is a good piece of advice, a good suggestion for the government: if they only turned to the Canadian market, to the Canadian consumers, I am convinced that if they tried as hard to develop the Canadian market as they did to find foreign markets, is is not only one, two or three billion dollars that would be added to our sales revenues, but $20 and $25 billion. That increase in our sales on the Canadian market would be possible if the citizens of Canada were given the necessary purchasing power to buy our Canadian products.

Mr. Speaker, during those few minutes, there may have been a few brief humorous digressions, but let us analyse the following point which summarizes almost everything: We are not here merely to talk, we are here to take action.

But what action? In the interests of the people. We are 265 who have been elected from all over Canada to come here and safeguard the interests of the people. For once, let us think of the people. Let us think of the worker, of the farmer, of the small businessman, of the small contractor, of our population as a whole. Let us ask ourselves what the people want: is it a healthy régime where Canadians will be able to benefit from the richness of the country, which God has given us in His bounty and which Canadian citizens, have, by their intelligence, abundantly developed.

(Text):

Mr. Deputy Speaker: The hon. member's time having expired, I call on the hon. parliamentary secretary.

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, after listening to all of the forceful eloquence of the past few days I almost hesitate to rise at this time, but I do wish to make a few observations particularly with respect to the omissions of the Leader of the Opposition in outlining the policies of the Grit party. Before doing this, however, I should like to follow the time honoured tradition of this house in offering my congratulations to the mover and seconder of the address in reply to the speech from the throne. Their speeches reflected a great deal of credit to themselves and honour to their constituencies. At this time, sir, I should like also, on behalf of hon. members from my province, to offer our congratulations to you on the position you now hold in this house. You, too, sir, have brought honour to our province.

During the course of this debate we have noticed the omissions from policy statements expressed by those who oppose us. I was particularly interested in the wild appeal by the hon. member for Bonavista-Twillingate (Mr. Pickersgill), who displayed rather a lack of caution in making the remarks he made. One thing that did disturb me, and I think this came from at least two corners of the Liberal party, was the statement that it was incredible that 50 members could obstruct the work of a government which had a majority or a membership of 200. I would remind them that the only way 200 members could impose their will upon 50 members would be by imposing closure and by restricting debate. If what they have said means that they are going to impose their will on the house, then we know what to expect in the unlikely event the Liberals are re-elected.

I do want to deal with this matter that has been omitted by the Leader of the Opposition, and that is the question of agriculture. I should like to put on the record, since the hon. member for Assiniboia (Mr. Argue) failed to do so, the policy of the Grit party. It was a rather interesting experience to watch the hon. member for Assiniboia. I recall the time he joined in marriage with the Liberals earlier this year, a blushing bride expecting to live in the lap of luxury. Since that time, however, the honeymoon has been long over. We find that, much to the dismay of the hon. member I am sure, he is being called upon to wash the dirty laundry. This was what he was called upon to do the other day. The Leader of the Opposition failed to make any mention of agriculture for the plain and simple reason that hon. members opposite have no agricultural policy.

An hon. Member: Wrong again.

[Mr. Deputy Speaker.]

Mr. Jorgenson: The hon. member was thrown into the breach during the election campaign because the Liberals had failed to come up with anything resembling an agricultural policy. They felt that by simply bringing in the hon. member for Assiniboia, they could win the west. However, this did not prove to be the case. The hon. member was pretty well restricted to the boundaries of his own constituency and barely succeeded in returning to this house. However, we welcome him and are looking forward to his participation in the debates in the days to come.

This afternoon, I should like to outline, not the policy of this party because the Minister of Agriculture (Mr. Hamilton) is going to do that, but to correct the omissions of hon. members opposite and reveal, in their true form, the policies that were enunciated by the Liberal party in their agriculture pamphlet. I am reading here from the Winnipeg *Free Press* and I am sure this is an accurate report of the Liberal party platform. I did not get a copy of their policy statement but I am sure it is correctly revealed in this item. One of the first statements that is made in outlining the agricultural policy is that they are going to expand Canada's efforts to expand farm products. I wonder precisely what this means?

What has been the reaction of the Liberal party to the efforts that have been made by this government to export farm products? What was their attitude on the China grain sale, and particularly the attitude of the hon. member for Assiniboia? What has been the reaction to the efforts of this Minister of Agriculture to find markets for Canadian agriculture products? One would have thought, from listening to these people in this debate and on the hustings throughout the years we have been the government party, that nothing had been achieved in the field of agriculture. They choose to ignore completely the things that have been done. Indeed, they have even prevented their own members from learning the true facts of agriculture policy. Just a few days ago this was illustrated when one hon. member of the Liberal party asked when his government was going to extend crop insurance to the eastern farmers.

Mr. Argue: When are you going to do it in the west? You have not done it either place.

Mr. Jorgenson: Now, the hon. member interrupts as is his nature. He knows quite well that the Leader of the Opposition stated when they implement their policy they are going to do so in co-operation with the provinces; yet the hon. member sits in his seat, does not rise, and says, when are you going to do it? He would wish us to impose a system of crop insurance on the provinces when he knows

full well the details of this crop insurance policy. If the hon. member will just contain himself for just a moment—

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

Some hon. Members: Sit down.

Mr. Argue: Would the hon. member say when the federal government is going to sign the crop insurance agreement which Manitoba signed last May?

Mr. Starr: Watch that you do not lose your seat next time.

Mr. Jorgenson: I think he is getting all agitated because he fears that the policies of the party he represents are going to be revealed. I do not blame him for getting that way.

Mr. Argue: Manitoba signed an agreement in May. You have not signed it yet.

Mr. Jorgenson: You had an opportunity to make your own speech.

Mr. Argue: What about the Manitoba crop insurance agreement signed by that province last May?

Some hon. Members: Sit down.

Mr. Robinson: Take your medicine.

Mr. Starr: You will not be here next time.

Mr. Deputy Speaker: Order.

Mr. Jorgenson: He interjects because he knows well what the policy is, what the agreement is.

Mr. Argue: But you will not sign it.

Mr. Jorgenson: Manitoba has a program of crop insurance based on the provisions of the federal agricultural policy in the federal crop insurance program, and he knows full well it is up to the individual provinces to develop this program.

Mr. Argue: This is the re-insurance agreement.

Mr. Jorgenson: I am glad the hon. member has mentioned the re-insurance program because over there is a group of people who refused to do anything about crop insurance. It is this government which put crop insurance on the statute books, and this government is going to expand and develop that program. They talk as though that program was not in existence. Indeed this was reflected in one of the hon. members opposite asking if there was such a program and, if there was, were we going to extend it to the eastern provinces.

Mr. Starr: They never heard of it.

Mr. Jorgenson: That is typical of the way in which they have completely refused to take into consideration the things that have been done. The world stopped for them on June 10, 1957.

As the second item in their policy they say they are going to provide farmers with information on markets. Well, it was just a short while ago that the Minister of Agriculture outlined the program he was contemplating in doing this precise thing; but when it came up in the estimates the hon. member for Bonavista-Twillingate, who was then their spokesman for agriculture, criticized the minister's efforts in expanding the work of the information division to provide information on markets, to provide the precise thing that the hon. member opposite now seeks.

An hon. Member: That was political information he was talking about.

Mr. Jorgenson: Political information? I wonder what type of information hon. members opposite would distribute.

Mr. Argue: Yours is mainly about the birds and the bees.

Mr. Jorgenson: The hon. member for Bonavista-Twillingate opposed that effort and criticized the expenditures that were going to be involved in providing this information. I just wonder who is the official spokesman for hon. members opposite.

The third point in their policy is that they are going to establish an independent research council to improve consultation between federal and provincial agricultural departments and all farm organizations. I would like them to tell me how, in heaven's name, this council would be independent if they are going to set it up. They have completely forgotten the fact that such a council was set up and is now in operation. Yes, indeed, the world stopped for them in 1957. The council that has been set up was as a result of the initiative taken by the minister of agriculture from Manitoba. All organizations and levels of government are involved in it. One of the greatest problems confronting the council was to ensure that it retained its independence, and I can assure you that had hon. members opposite been given the responsibility for setting it up it would certainly be anything but independent.

Their platform, or what passes for a platform, reminds me of the first step on a streetcar. It is not meant to stand on; just to get in on. Certainly what we have seen of Liberal agricultural policies as outlined in this pamphlet would indicate the hollowness of their proposals.

They have said they would expand Canada's efforts to improve water conservation

and encourage the growth of industries in local communities. What do they suppose was the purpose for which the ARDA legislation was passed? One would think they had never heard of it.

Mr. Argue: How many water development projects have been undertaken under ARDA to date? None.

Mr. Jorgenson: The Leader of the Opposition said that the policies they would implement would be in co-operation with the provinces, but he knows full well that the provinces are currently working on their programs.

Mr. Argue: Yes, but you are not. That is the whole trouble.

Mr. Starr: You never heard of ARDA until it was introduced.

Mr. Jorgenson: The speech made by the hon. member for Assiniboia was dealt with very well by the hon. member for Bow River (Mr. Woolliams) last night, and I do not intend to deal with it in much detail. The speech of the hon. member for Assiniboia contained absolutely nothing about the agricultural proposals of his party.

Mr. Argue: You are wrong, all wrong.

Mr. Jorgenson: If he mentioned one thing that could be construed as a constructive proposal, then I would like to hear it.

Mr. Argue: Do you want to hear it now?

An hon. Member: You had your chance.

Mr. Jorgenson: He mentioned something about the Grit party providing $2 a bushel for No. 1 wheat based at Fort William.

Mr. Argue: A floor.

Mr. Jorgenson: The farmers would be guaranteed $2 a bushel.

Mr. Argue: A floor.

Mr. Jorgenson: This is not what they said during the election campaign.

Mr. Argue: You are wrong again.

Mr. Jorgenson: "...$2 a bushel for No. 1 northern wheat, Fort William." Read it in *Hansard.*

Mr. Argue: A floor.

Mr. Jorgenson: He guaranteed $2 a bushel for No. 1 northern wheat for three years. He said it a second time.

Mr. Argue: I rise on a point of order. The parliamentary secretary is deliberately misinterpreting my remarks. I said that this policy was a $2 floor and there would be a parity price for domestic wheat above the floor.

[Mr. Jorgenson.]

An hon. Member: That is not a point of order.

Mr. Jorgenson: I know it is not a point of order but I am glad the hon. member has raised it because it gives me a chance to quote from *Hansard.* At page 166 of *Hansard* for October 3, the hon. member is reported as saying:

> The policy of the Liberal party to guarantee $2 a bushel for No. 1 northern for three years is a good policy and a necessary policy.

Mr. Pickersgill: That is a floor.

Mr. Jorgenson: There is nothing in *Hansard* about a floor.

Mr. Argue: Then you will not accept the word of an hon. member.

Mr. Pickersgill: What is a guarantee if it is not a floor?

Mr. Argue: You guaranteed $1.50 as an initial price. That is 50 cents less. That is what you guaranteed.

An hon. Member: Ask the farmers what they are getting.

Mr. Argue: That was your guarantee.

Mr. Deputy Speaker: Order. Would the hon. gentleman take his seat please? The exchange has become so audible that it is hard to tell whether the hon. member for Assiniboia is making the speech, or the hon. parliamentary secretary. I think opportunities will arise in the ordinary course of debates during the session to go further into these matters. That should be the philosophy applied by the hon. member for Assiniboia and I would ask his co-operation.

Mr. Jorgenson: Thank you, Mr. Speaker. Now for the records. I am going to point out —and I am sure the farmers will be interested in knowing—what this $2 a bushel for No. 1 northern, based at Fort William, means to them in dollars and cents. From the records of the Canadian wheat board's annual report I shall give certain information which I am sure is also available to the hon. member for Assiniboia. First of all, the final price given to producers in the year 1956-57 was $1.58. That leaves a difference of 42 cents. There were 230,854 permit holders that year and there was a total production of 1,565,907 bushels of No. 1 wheat which represent .43 per cent of the total volume of wheat. If hon. members figure this out they will find that as a result of this policy each farmer would have received $2.84. This is the policy which the hon. member for Assiniboia (Mr. Argue) now advances as a member of the Liberal party. At the time the farmers marched down here the same hon. member wanted to give them $1,500. A little while

later when he was sitting over in the corner, he called a payment of $2 peanuts. Today, $2.84 is enough. In 1957-58, the total amount received by each farmer would have been $1.38. In 1958-59 it would have been $6.73, and in 1959-60, $3.90. In 1960-61 it would have been $7.02, making a total in five years of $21.87 per farmer or an average of $4.37. This is the policy which is being advocated by the Liberal party in support of wheat prices for the western farmer.

Mr. Argue: That is a completely false statement.

Mr. Jorgenson: Well, all the hon. member has to do is to consult the wheat board records and figure it out for himself. It surely cannot be beyond his capacity.

An hon. Member: Diefenbaker mathematics.

Mr. Jorgenson: They are my own. This is the figure—$4.37.

Mr. Pickersgill: Are those ninety cent dollars?

Mr. Jorgenson: There speaks the hon. member for Bonavista-Twillingate (Mr. Pickersgill) who, every time he rises, tries to convince the house that he is a wit. He has only half convinced me.

Well, the opposition has a policy. Its policy is to have the Liberal candidates in the west try to convince farmers out there that this government is doing everything for the east and nothing for them. Then the Liberal candidates in eastern Canada try to tell the voters that everything is being done by this government for the western farmers at the expense of the east. It is the old policy of divide and rule—the old trick used by the Liberals over the years. They have chosen to ignore or belittle what has been done by this government in the field of agriculture. In addition, they carry on a program of vituperation and vilification against members of the cabinet and, in particular, against the Prime Minister. By behaviour of this kind they hope to convince the people of Canada that they are worthy—

Mr. Pickersgill: Cry baby boys.

Mr. Jorgenson: The hon. member for Bonavista-Twillingate, as is his custom, makes most of his comments from the seat of his pants. One would think from their quality that that is precisely whence they emanate.

Mr. Pearson: I suppose that is not dealing with personalities—that is statesmanlike.

Mr. Jorgenson: In the course of this debate the hon. member for Assiniboia has been defending policies, I presume on behalf of the Liberal party, which would have the result of assisting those who least need assistance. The deficiency payment proposal so strongly advocated by the hon. member would have had the effect of helping the farmers who at least need assistance. We recall that when the hon. member belonged to the old C.C.F. group which used to sit over in that corner of the house he expressed great concern for the family farm and for the small farmer.

Mr. Argue: I still do.

Mr. Jorgenson: Nevertheless, he sits now and associates himself with those opposite. He has deserted the farmer who needs help—the small farmer and the man who is attempting to establish himself—by advocating and supporting policies which would have the net result of assisting the large farmers who need help least. Mr. Speaker, have you ever seen a greater manifestation of sanctimonious hypocrisy than that exhibited by hon. members opposite?

Mr. Argue: Let us not forget the coalition.

Mr. Jorgenson: During the course of this debate, the Minister of Agriculture will have an opportunity of dealing with some of the points raised by the hon. member for Assiniboia. I wanted merely to put on record the essence of what constitutes Liberal policy since hon. members opposite are ashamed to do so themselves, and for a very good reason. They have never been concerned with the problems of agriculture and they have demonstrated this time and time again. They have followed the tactics of running around poking farmers in the ribs and saying: "You look well fed." Instead of making vigorous efforts to sell grain their attitude has been: "If they want it, they know where they can come and get it." They have not changed. They are the same old bunch. As long as they remain over there they can do no harm. The people of western Canada know this, and are prepared to keep them precisely over there on the benches opposite.

Mr. Allan J. MacEachen (Inverness-Richmond): Mr. Speaker, my first words must be words of sincere congratulation to yourself on the high position you occupy. I wish you well as you cultivate those heroic virtues which are required in that high office. I wish also to associate myself with the remarks made by other hon. members in congratulating the mover and seconder of the address in reply. I think they set a standard that many of us wish to emulate.

This is the third parliament which I have attended as the representative of the electors of the constituency of Inverness-Richmond and I wish to acknowledge with gratitude the confidence they have shown in sending me to the House of Commons. No man is more

responsible for my return to the House of Commons than the Leader of the Opposition (Mr. Pearson) who, as leader of the Liberal party, has striven mightily and successfully to put the Liberal party in a position to provide an alternative to the present truncated ministry.

The Leader of the Opposition has served his country in war and peace with nobility of spirit and great distinction and it is surprising to me that this morning the Secretary of State for External Affairs (Mr. Green) should have developed the line he did. Is the Leader of the Opposition or any other member of the House of Commons to keep silent when the mistakes and follies of this government lower Canada's reputation and tarnish her good name?

Is the Leader of the Opposition to remain silent when the relations of Canada with other friendly countries are worsened because of the conduct of ministers? Are these men who identify themselves, even as a minority government, with Canada to be immune from criticism? How vain and thinskinned can you get? This morning the Secretary of State for External Affairs complained of smearing; and this from a gentleman who, in a speech in Vancouver, suggested, or hinted or implied, that Premier Khrushchev was working for the Liberals in the last election, from one who, with his colleagues, dared to attack our party and its leader by saying that we wished to ruin our country if we could not rule it. A man who has said that should step silently and softly when he talks about defamation.

Mr. Speaker, I want to bring the house back for a moment to the night of June 18. On that night the people of Canada rendered their verdict on the conduct of the present government. The issues had been presented to the people of Canada in a long and vigorous election campaign. The results are evident: the government was defeated at the polls, it lost the confidence of the majority of Canadians, and it suffered the greatest haemorrhage of government supporters in the history of Canada. Even though the government was demoralized, even though it had lost the confidence of the people of Canada, the government had to carry on. The Queen's government must go on. The very first thing, so we are told, that the government had to face was a crisis in foreign exchange of major proportions. We believe, Mr. Speaker, that the actions of the government on previous occasions and its wrong policies were responsible for that exchange crisis. The Minister of Justice (Mr. Fleming) told us last night that it was a minority government that caused the run on the dollar. Well, that is a new theory which will be added to the theory on international exchanges; a theory on the same level of sophistication as the view that sun spots cause depressions.

The government was faced with this exchange crisis and it took action. The Prime Minister (Mr. Diefenbaker) in a statement to the people of Canada stated that action was necessary to save the dollar. Action was taken and embodied in an order in council which the Prime Minister said was within limits approved by parliament; that he was acting with authority given to him by parliament. The order in council that put into effect sweeping emergency measures rests on two statutes: the Customs Tariff and the Financial Administration Act. One part of the order in council removes the application of the British preferential and intermediate tariffs and accordingly raises the level of tariffs to the general tariff. The second part of the order in council utilizes the Financial Administration Act to relieve individuals in the country from the operation of the first part of the order in council.

Does anybody, Mr. Speaker, in his right mind believe that the statutes on which this order in council is founded were intended to allow a government to take extraordinary and sweeping action to avert a further depletion of Canada's reserves? The hon. member for Winnipeg North Centre (Mr. Knowles) very properly questioned yesterday the legality of this order in council. I am not a lawyer and I certainly do not intend to argue the legality or the illegality of the order in council. But I will say that the government was certainly straining very hard when it chose these two statutes upon which to base this particular sweeping measure. We have had very impressive legal advice suggesting that this order in council is indeed illegal, and that all the regulations and activities carried on under the order in council are consequently illegal. We have had that opinion. The Minister of Justice said that it is completely legal. I do not want to argue that point, but I do want to say this, Mr. Speaker, that once the government had taken this emergency action embodied in an order in council, its first constitutional obligation was to bring parliament together, to bring the elected representatives of the people together, so that they could exercise their traditional and cherished rights of dealing with the taxation that is imposed upon them. Mr. Speaker, the government were obliged to call parliament together. We say that they should have called parliament at the earliest possible moment, even without a crisis, even without emergency and sweeping measures being taken. We say that surely, in the midst of a national emergency, the first obligation of a ministry that had lost the confidence

of the Canadian people, that did not command a majority of the House of Commons, was to call parliament together and give the elected representatives of the people a chance to exercise their constitutional rights.

Mr. Speaker, in this country for over 100 years we have enjoyed the benefits of responsible government. We know that responsible government is not prescribed by any specific statute; rather it is a principle of the constitution that sustains and supports the statutes. In Great Britain, for example, since 1688 the responsibility of the ministers to parliament has been enforced by certain various specific legal requirements. The legal requirement or the constitutional requirement that concerns us now is the requirement that the ministers shall neither collect nor expend moneys without the expressed authorization of parliament. This requirement is of absolutely first rate importance to our democratic system, and that requirement was not fulfilled or lived up to by the present government. During the 17th century when the system under which we live was worked out in England there were doubts about parliament's absolute right in the field of taxation but all these were settled conclusively by a provision of the bill of rights of 1689 which declares as follows:

> Levying money for or to the use of the crown by pretence of prerogative without consent of parliament for longer time or in other manner than the same is or shall be granted is illegal.

I suggest to you, Mr. Speaker, that this order in council which is now the basis for these sweeping measures has been put into effect by the government presuming to itself the pretence of a prerogative. We know that later on in the United Kingdom great deference to this principle is illustrated by a decision of the House of Lords in the case of the Attorney General *v.* Wilts United Dairies. In this case it was decided that the crown could not collect taxes under a statute which did not clearly and expressly confer on the crown that right. I ask hon. gentlemen if they will point to a single part of the statutes under which they are operating which clearly and expressly confers on the crown the authority which they presume in the order in council.

Professor Hood Phillips of Gray's Inn, in his standard work on "The Constitutional Law of Great Britain and the Commonwealth" has written as follows:

> It has been settled law since the early seventeenth century that the King in Council has no power to make laws for the realm except as a delegate of parliament. Perhaps the most significant application of this principle lies in the rule that no person or body other than parliament ... can raise taxes or spend public money, for it was round that issue of taxation that the earlier struggles between King and Parliament mostly raged.

Sir Erskine May, an authority frequently quoted in this house, makes the same point:

> The crown demands money, the Commons grant it, and the Lords assent to the grant: but the Commons do not vote money unless it be required by the crown; nor do they impose or augment taxes, unless such taxation be necessary for the public service, as declared by the crown through its constitutional advisers.

Another authority, namely Eric Taylor in his work "The House of Commons at Work", states as follows:

> Underlying all the financial procedure of the house are certain ancient maxims or rules, some of them the prize of centuries of struggle with the crown.

He then goes on to enumerate these maxims, and the first of them is as follows:

> (1) the granting of public money, and the imposing of taxation, is the function of parliament, not of the the Queen or the government.

This order in council which has not come before parliament—and we have no indication that it will come before parliament—collects and imposes taxation. May I end this reference to authorities by referring to a quotation from Edmund Burke on this point, referring to this struggle to establish this very principle, namely the right of parliament to impose taxation:

> They took infinite pains to inculcate as a fundamental principle, that in all monarchies, the people must in effect themselves, mediately or immediately, possess the power of granting their own money, or no shadow of liberty could subsist.

I suggest that the action taken by the cabinet through the sweeping measures in imposing taxation violates this fundamental constitutional principle as parliament has not been given any indication that it will have an opportunity to approve this action taken by the government.

If I may, I should like to refer to a Canadian illustration in order to indicate how jealous the House of Commons is of its right to collect money and impose taxation. In 1914, to deal with the emergencies of a great war, parliament enacted the War Measures Act. That act is still on the statute books of this country as our chief statutory provision for wars and insurrections. It permits the governor in council to do almost everything that the governor in council may deem necessary. Yet in 1939 an interdepartmental committee established to examine the effects of this War Measures Act found that under this act no government could impose taxation without the authorization of parliament.

This principle is very important because even under the War Measures Act the government cannot arrogate to itself the authority which it arrogated to itself under the order in council to which I have already referred. Yet the great defence of the procedure followed in this instance was to go

back to 1947 and to say that the Liberal government of that day was obliged to impose sweeping measures as it did, that it imposed these measures under an order in council and that "We are doing the same thing; what is wrong with it?"

I wish to tell hon. members what my investigation has revealed concerning the procedure followed in 1947. It is true that Mr. Abbott on the radio made an announcement about these extraordinary measures. But in his speech, a copy of which I have before me, he has this to say:

> Now that the government's proposals have been announced, we propose to follow the usual budgetary practice of asking parliament—

I emphasize the words "of asking parliament".

> —to make them effective from the time of announcement, and taxes at the new rates will therefore be collected on all sales by manufacturers and on imports, beginning tomorrow morning.

In that announcement Mr. Abbott advised the Canadian people that he would be laying these measures before parliament at the earliest possible opportunity. Parliament met at the earliest possible opportunity, namely on December 5, 1947, and what do we find from the speech from the throne? We find these words:

> Provision of a temporary character has been made to conserve and supplement Canada's reserves of United States dollars.
>
> The measures recently announced to deal with the various aspects of the immediate foreign exchange difficulty will be submitted for your approval.

To parliament. That was in the speech from the throne. When parliament met the then prime minister, Mr. King, asked permission to interrupt the debate on the address in reply to the speech from the throne to bring in these measures. The leaders of the other parties wanted to exercise their right to make speeches on the address in reply. This was on a Friday, I think, and Mr. King told the house that on the following Thursday Mr. Abbott would introduce those measures in the House of Commons so that parliament would have an opportunity to deal with the measures which Mr. Abbott had announced on the radio on November 17.

How different in this case. The Prime Minister in his statement on television on June 24 made no reference to submitting these measures to parliament, not a word, not a gesture.

Mr. Martin (Essex East): He said we should cool off.

Mr. MacEachen: He told us to cool off. Now we get the speech from the throne, and you can search it word by word and you will find not a single reference to an opportunity being provided to validate the action taken by the ministry. Is there any mention of legislation? Have we seen anything on the order paper? Nothing. That is the difference between the present action and the Liberal action in 1947. At that time the action was announced and parliament was brought together. We had a majority government then. We did not have a government depending upon the unstable whims of a minority group in the House of Commons; but that majority government brought the legislation to the House of Commons for approval.

What did hon. gentlemen of the Conservative party, some of whom are in the ministry today, say on that occasion even though Mr. Abbott had brought legislation into the house to validate his actions? Here is what one hon. gentleman, the present Prime Minister demanded to know of one minister on December 11, 1947. He said to the minister as found at page 189 of *Hansard*:

> Can he tell me in any country of an occasion where taxation has been imposed by a minister, by order in council?

That was the Prime Minister who asked that question in 1947 when he had an opportunity to debate and approve the action taken by the government. Later, as found on page 408 of *Hansard* of December 17, the present Prime Minister had this to say:

> Did something happen on November 17 that made it necessary for this government to depart from the time-honoured procedure of having parliament called together for the purpose of having budget proposals presented in a legal and constitutional form?

If the right hon. gentleman could make the welkin ring in 1947 when parliament was given an opportunity to debate a number of proposals, it is no wonder that hon. members of this house should feel outraged at the action of the government in not even intimating that we are going to have an opportunity to deal with these sweeping measures.

An hon. Member: King John.

Mr. MacEachen: I intend to place an amendment before the house, Mr. Speaker, so that the House of Commons will have an opportunity to declare itself on this fundamental constitutional issue, to declare whether commoners, members of the Canadian House of Commons, still have the constitutional right to impose taxation and collect moneys. I am moving this amendment at this stage after an amendment and subamendment have been disposed of on the basis of a precedent of this house in 1957. Therefore I am completely regular, I believe, in moving an amendment at this stage. I move, seconded by the hon. member for Richelieu-Vercheres (Mr. Cardin):

> That the following be added to the address:
>
> "We respectfully submit to Your Excellency that the failure of Your Excellency's advisers to place

before this house at the earliest opportunity a measure to approve the collection of taxes which have been imposed by order in council, as part of the austerity program, denies to this house the exclusive constitutional right to approve the imposition of additional taxation which is the foundation of our system of responsible government."

Some hon. Members: Question.

Mr. Deputy Speaker: Is the house ready for the question? The hon. member for Royal.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, you will excuse my hesitancy in rising but as a new member I am not yet fully aware of all the machinations of this house. I am wondering why the last speaker could not save time by challenging the order in council in the courts if he is so positive about its illegality.

Mr. Pickersgill: Never mind about parliament.

Mr. Fairweather: After what happened in 1947 the Liberals should choke on the citations just quoted. It is particularly gratifying to me to represent the constituency of Royal because of the fact that for 25 years the government leader in the Senate served his people and New Brunswick as a fine representative of this constituency. The fact that I succeed him has made it doubly pleasant for me because of the residue of good will which still surrounds his name and his record of public service in this place. I also wish, Mr. Speaker, to pay tribute to your thoughtful yet fair guardianship of the rules of this house, without which it seems to me it could rapidly rival the tower of Babel of ancient times. The mover and seconder are now basking in an aura of well merited tribute for the manner in which they began this historic debate. May I, too, pay tribute to them.

Now, I have one other compliment I wish to pay, and it is to the former minister of justice. As a lawyer and a former provincial legislator I have had many opportunities of knowing his unique contribution to the better administration of justice in Canada. The national parole board, the new enlightened penal policy, including the establishment of minimum security facilities, are but one or two aspects of the forward looking reforms for which this country is the better. The justice ministry is not a popular portfolio in the fickle imagination of the public. Nevertheless, the Hon. Davie Fulton is entitled to recognition for the special qualities he brought to this department.

If I could classify and isolate a single impression, Mr. Speaker, after a week as a member of this house, it would have to be that words, and their ordinary plain meaning, are really not very ordinary, neither are they plain. They seem to take on shades and partisan connotations. Now, perhaps this is all very well in this house, although somehow I doubt it. But it does seem to me it makes our supposed dialogue with the public a bit complex. In addition, I am one of those who believe that words should be jealously treated.

May I illustrate this by reminding the house that during our Prime Minister's visit to London last month the Leader of the Opposition in a particularly unpatriotic and uncharacteristic way, said that Canada's attitude was little more than carping criticism. Then, in his speech on Tuesday last the Leader of the Opposition, among many other criticisms of Canada's stand in London, said that this government exhibited its peculiar genius for getting into unnecessary difficulty with its friends. In the *Guardian* of Manchester on September 12, the well known correspondent Patrick Keatley wrote this:

> The prime ministers and the presidents hurled verbal thunderbolts but they did it with courtesy, precision and a marked lack of excess emotion or phony histrionics.

In a lead editorial entitled "The Reality of Consultation" a few days later the same newspaper said:

> Mr. Macmillan has made a powerful case for British entry into the common market. Equally the commonwealth prime ministers have made a strong case for questioning the terms so far provisionally agreed in Brussels . . .

The editorial ends in this way:

> It is a little frightening that, in all the volume of British press comment and public discussion, there has been so little talk of the commonwealth's detailed anxieties. Rightly the government (of the U.K.) and much of the press have emphasized the gains to be won by British entry into Europe. Rightly, too, the risks of staying out have been recalled. But we must also listen to what the commonwealth says—and not just brush it aside as due to domestic politics or unreal fears. Not long ago Conservatives in this country (U.K.) complained because others were supposed to have advocated "unconditional" entry into Europe. Today, ironically, it is the government (of the U.K.) that would like a blind eye turned to these conditions.

Now, Mr. Speaker, I submit this evidence of the effectiveness of our Prime Minister's contribution at London last month. The point of the conference, after all, was not just to join hands and sing patriotic airs but to see if Messrs. Heath and Macmillan could be forced to demand better terms at Brussels. After all, was this conference meant to be a sterile thing? Was there to be no frankness, no exchange of genuine points of view? For what it is worth, I happen to share the view expressed by the Canadian trade committee in its study of this subject entitled, "The Impact

of European Integration on Canada." This is a most useful short statement prepared by Mr. Dana Wilgress.

It seems to me that Canada has, in fact, adopted the United States approach in facing the challenge on a regional basis. This will result in some form of trading area with the United States. The great legislative victory won by President Kennedy in the senate recently is good news for Canada and is recognized as such in this government. I think Canada is ready to accept the challenge and, as Mr. Wilgress wrote:

> This will involve many difficulties in making the adjustments that become necessary. The stimulus afforded by this necessity may make Canada a stronger nation and a nation better fitted to achieve its destiny.

But it seems to me, Mr. Speaker, we must keep in mind that the common market means more than a united Europe the common market means a common tariff. Before that wall is built around Britain, surely Canada is entitled to some collective bargaining.

The throne speech contains three items that I have selected as being of special interest to the people of the Atlantic part of Canada. First, there is the fact that the program of rehabilitation and development of agricultural lands is proceeding actively and that we will be asked to provide funds for it. I am a great believer in the potential of ARDA. I think it is a great program, a great concept and, to use a word that has been abused in this house, I think it is concrete evidence of a great vision. My only concern is that up to now its potential has not been effectively put across to our farm people. The program should be talked about across this land with the zeal of an evangelist because its potential result could literally save rural Canada.

The national economic development board brings to Canada a pattern that is well established in western Europe, but may I suggest that it cannot work here without the voluntary support of labour and management. It also depends on their enthusiastic participation in the planning process. This is the crux of the program and one which must be free of petty political manoeuvering and petulant staged exits of those who must share in the common responsibility for economic and social development.

I shall next deal with another board which has been sought in the Atlantic provinces for many years and is now a part of the evolving pattern of this government's support for the three maritime provinces and Newfoundland. It is the Atlantic development board which has been unanimously welcomed by the press in Atlantic Canada. I am sure that if it is rapidly established and gets down to its job it can make a great contribution to the solution of our economic problems. This approach towards regional decisions for regional problems has long been part of the British government's policy, and also has been in vogue in France. It has helped to solve economic problems in Wales and Scotland, and I believe it can be of great help to eastern Canada.

However, I would hope that, in addition to the setting up of this board, greater flexibility would be provided in our banking system which would allow cash and credit to be made more readily available in different parts of Canada. I have not given full study to this matter and do not know which particular statute would require amendment, but the federal reserve system in the United States carries out this principle to good effect. In the United States they have an adaptable and flexible policy which has proven to be of beneficial effect. Canada is so large that different antidotes are sometimes needed to take care of various regional problems, and I am sure hon. members would agree that there is no inflation in Atlantic Canada, and very little danger of it.

The establishment by the United Nations and the Food and Agricultural Organization of a world food program must touch the imagination of Canadians, and the fact that this program is the result of Canadian inspiration and initiative must be a cause of modest satisfaction to hon. members. As the hon. member for Winnipeg North Centre (Mr. Knowles) so eloquently reminded us the other evening, two thirds of our people in the world are hungry. The fact that Canada proposes to share in a positive program based on a recognition of this human fact should be proof of our intention to do our part in the solution of this world problem. We have actively responded to a need which is ageless. Missions are already crossing the world to catalogue priorities, and we will soon be asked to make proper appropriation in supplying Canada's contribution.

Step by step we have evolved in this land from dependence to independence, and now the road is open to interdependence. I can think of no finer memorial to the late Dag Hammarskjold than the fulfilment of one of the causes he so effectively championed.

Might not the next step be a program outlined in the September 1 edition of the *Illustrated London News* by Sir Arthur Bryant? In it Sir Arthur writes:

> In certain strictly defined and limited cases, where new production of real wealth urgently needed by mankind can be accurately gauged and measured, I feel that it would be possible, without causing any inflationary tendency, to attach to the production of certain forms of universally required wealth, notably the production of mankind's chief need, food, the equivalent creation by the state of interest-free capital which would enable the

undernourished peoples of the world to absorb the surplus and exportable food production of countries whose peoples are already consuming all the food they require.

Perhaps such a bold program might be part of Canada's adaptation to the changed conditions resulting from Britain's participation in the common market.

My final observation has to do with the national power grid, one more of the visions about which my hon. friends opposite delight in ridiculing the Prime Minister. New Brunswick already knows how beneficial it is to be on a grid with Nova Scotia, and how useful it is to be able to sell surplus power to the adjacent state of Maine. I could never quite understand all the hubbub about the Columbia river, because we have found it most useful and beneficial in New Brunswick to be able to export power to the United States.

To me one of the bright prospects for the Atlantic region, and in particular for the coal mining industry of New Brunswick and Nova Scotia, is a national power grid. In one instance it might utilize power from the Columbia and in another power produced by the Hamilton falls in Labrador. It would also be greatly effective in utilizing thermal power generated from the burning of New Brunswick and Nova Scotia coal. This vision is no more unrealistic than was Macdonald's for a cross country railway, and this vision could materealize into exporting much more electricity into the power-hungry United States. After all, power lines know no artificial boundaries.

As this debate has progressed it seems to me that speakers have vied with each other in declaring how important is this session of parliament. Let us prove it to the country by proving it to each other.

Mr. John R. Nicholson (Vancouver Centre): Mr. Speaker, in rising to address this chamber for the first time I join with those who congratulated the mover and seconder of the address in reply to the speech from the throne. They have made a contribution to the work of this house of which both they and their constituents may well be proud.

I should also like to congratulate the hon. member for St. John's West (Mr. Cashin) on his maiden speech in this august assembly. It was interesting, informative and witty.

Mr. McGrath: Written by the hon. member for Bonavista-Twillingate.

Mr. Nicholson: Regardless of whom it was written by, it was an excellent speech. It was well delivered, and I say in all sincerity that Canada and the Liberal party are indeed fortunate that a young Canadian of such unusual ability has seen fit to continue a long line of public service that was begun by his distinguished grandfather, Sir Michael Cashin, more than 50 years before Newfoundland entered confederation. As a young man I knew Sir Michael Cashin and I am sure he would have been singularly proud with the efforts of his grandson in his first appearance in this chamber.

A new parliament has just opened—a parliament which is faced with grave and challenging problems. The way in which we address ourselves to these questions will affect not only the welfare of Canada but the welfare of peoples in many other nations. I firmly believe that the standard which the people of Canada will apply to this parliament will be an exacting one, and we should govern ourselves accordingly.

Mr. Speaker, as was drawn to the attention of this house when you recognized me, I, like Saul of Tarsus, come from no mean city. I come from Vancouver, a city which I am told by all who know it is not only one of the most beautiful but also one of the most progressive in Canada. It is also one of the most cosmopolitan cities in Canada. Many of its residents are immigrants and the children of immigrants. We have in Vancouver several thousand Chinese Canadians many of whom have won distinguished places in the life of our community, on the staffs of our universities and in other fields. We have several thousand Canadians of Italian, Greek, Scandinavian, German and Japanese origin. But the great majority of the inhabitants of this city are of Anglo-Saxon, Scottish or Irish descent. Vancouver is also the financial and commercial centre of British Columbia and is one of Canada's greatest seaports. The riding which I have the honour to represent, Vancouver Centre, is in the heart of metropolitan Vancouver. It is the core of a population of approximately 800,000 people. Vancouver, as you well know, Mr. Speaker, is on the west coast of Canada far removed from this capital. What I would like you to understand however, is that I come here as a coast-to-coast Canadian. I wish to assure this house through you, Mr. Speaker, that it will be my endeavour not to indicate any degree of sectionalism or any undue partisanship in points of view to which I may give expression from time to time. Undoubtedly I shall be partisan at times. After all I ran as a Liberal and I am proud of my party and of our leader. I trust, however, that I shall not be unduly partisan.

Having made my position clear, I now wish to say that, in my humble opinion, the first duty to which this parliament should address itself is the recovery of its prerogatives and powers. In June, 1956, I returned to Canada after an absence of some five years in South America. I had occasion to be in Ottawa in the early summer of that year and I followed

with unusually close attention the proceedings in this house at that time. I did so partly because of my close association with the petroleum industry of Canada through the Polymer Corporation during its first 10 years, and also because of an extended stay in South America where political traditions and practices differ greatly from ours. In several of the Latin-American countries that I have visited, the army plays a most important part in government. It has been said, with some degree of truth, that the army is the greatest democratic force in several of the Latin-American republics. Apart from the army, however, there have been presidents and other national leaders whose viewpoints are extremely nationalistic and who have been high-handed and dictatorial in the way they run the affairs of their countries.

With such a background, it was not surprising that I should follow with unusual interest the matters which were being discussed in this house in the early summer of 1956. In the course of my visit and during the several months that followed I heard several hon. gentlemen, who now occupy front bench seats on the government side, speak in an impassioned and dramatic way about the rights and responsibilities of this house.

The present Prime Minister (Mr. Diefenbaker) proclaimed time and again in 1956 and 1957, both in and out of the house, that the rights of the members of this house were being ignored and trifled with. I say in all seriousness that the arbitrary, dictatorial actions of the present government during the months which have elapsed since the election in June last are far more deserving of censure and condemnation than anything which took place in the spring and early summer of 1956, especially in the light of subsequent events. Again you will note, Mr. Speaker, it was this same Prime Minister who, in 1958, 1959 and 1960, boasted that he had restored the honour and the prestige of parliament.

Our leader, in his magnificent address on Monday last, dealt effectively with the government's failure to give our nation the leadership needed at this time. He dealt with their failure to implement many of the promises and assurances given in the course of the campaigns in 1957, 1958 and again in 1962. He also referred to the exposure of matters which should have been brought to the attention of the electorate before the election took place but which the people were kept from knowing through the deliberate action of the government in order to win votes.

I had not intended to even refer to what our leader said on these subjects. I would not have done so had it not been for certain things mentioned by the Secretary of State for External Affairs (Mr. Green) this morning and also by the Prime Minister in the course of his remarks on Tuesday. He said in effect that never in the history of the country had there been such unjustified and unwarranted remarks made in the course of an election campaign and in this house about a government and its leader.

My comment on this statement is that never in the history of this country have the actions of a leader or of a government called for such condemnation. They should be condemned if for no other reason than many of the statements made in the course of the recent election campaign and for making a mockery of their boast that they had restored the rights and prerogatives of this house. As an example of wild and extravagant statements made in order to win votes, I intend to read a few quotations for the benefit of the house. This is what I was criticized for this morning. It was said that I had made wild and extravagant statements in order to win votes. But can hon. members think of anything more extravagant than the statement made by the very minister who made this accusation in this house earlier today? In Hamilton on May 17 the Secretary of State for External Affairs said:

> When James Coyne left his post as governor of the Bank of Canada, tight money went too.

How absurd.

Mr. Churchill: Would the hon. member identify that quotation?

Mr. Nicholson: Yes. It is from a speech made at a political gathering in Hamilton on May 17.

Mr. Churchill: What paper was it taken from?

Mr. Nicholson: I am not quoting from a paper. I have a note.

On May 12, the Prime Minister, speaking in Medicine Hat, said:

> The devaluation will do wonders to increase trade. The critics tell me that inflation will result from this devaluation. Inflation merely means the rising of costs—

Again, the Prime Minister at Edmonton on May 26:

> When we removed the headship of the Bank of Canada we removed the strangulation of tight money.

Was there ever a time in the history of this country that we had tighter money than we have today? These are statements made during the course of an election campaign.

Mr. Churchill: Can the hon. member identify those quotations?

Mr. Nicholson: Again that statement was made at a political meeting addressed by the

Prime Minister in Edmonton on May 26, as reported in the Edmonton papers. I am now quoting from a newspaper.

At Ottawa on May 29 the Minister of Justice (Mr. Fleming) said this:

> We are enjoying in Canada today one of the greatest periods of expansion in all Canadian history. We've achieved in Canada a remarkable stability in the purchasing power of the Canadian dollar.

And the dollar had gone, in a period of months, from a premium of $1.05 to $0.92 and a fraction.

Mr. Speaker, this morning I was criticized in this house for having told the truth that Canada's prestige and reputation had deteriorated greatly since the present government took office. I still believe that to be the case. It has deteriorated, as evidenced by the following articles. In *Maclean's* magazine, the issue of January 6 of this year, there is an article by Hannon referring to, and quoting from, British periodicals and newspapers of that time. It is headed: "Why even the tolerant British don't like us anymore". I am not going to read the whole article, but the third paragraph begins:

> By year end, responsible London newspapers like the *Times* and the *Observer* were carrying reports accusing Canada of deliberately trying to obstruct the British entry into the Common Market and of rudeness and discourtesy at the diplomatic level.

Then again further down in the same article:

> British annoyance really boiled over though when Finance Minister Donald Fleming insisted on the full text... of a speech by the Lord Privy Seal, Edward Heath... No doubt unintentionally Fleming gave Britons the impression that he thought the full text would be significantly different from the summary he had already received—that is, that Britain was trying to deceive her commonwealth partners and sell them out in secret. When the text was finally published, and turned out to be no more than a clear statement of the well-known British position, Britons stopped trying to conceal their indignation. "Inexcusable", said the Manchester *Guardian*, and the *Daily Herald* added: "Heath is now due for some Canadian apologies".

I happened to be in Britain last year, Mr. Speaker, when this agitation was going on, and I was confronted every day with articles in the newspapers and also with comments from people I met from time to time.

The situation still continues. I refer now to an article in the Washington *Post* on September 17 of this year. The Washington *Post* says:

> —Commonwealth countries, including Canada, probably won't succeed in keeping Britain out of the common market, though it may succeed "in boring the rest of the world with the pettiness of some of their complaints".

The New York *Times*, one of the finest newspapers in the world, says:

> —the Commonwealth countries are staging a "virtual revolt" against the mother country at the prime ministers' conference in London.
>
> In an editorial it says the conference issue "lies between Prime Minister Macmillan's dynamic world-wide 'grand design', which takes account of modern economic trends, and the separate and even parochial trade interests of the Commonwealth countries".
>
> The grand design... calls for Britain's entry into the European economic community "on the basis of the same imperative consideration that created the community".
>
> "As Mr. Macmillan explained, a modern economy can no longer prosper within the narrow confines of a small national state when economic power is shifting to units of continental proportions".
>
> In contrast, the editorial says, the commonwealth countries fear both a potential dissolution of the commonwealth and, more immediately, serious injury to their economies due to an extension of common market tariffs to Britain and loss of the imperial preference for their goods—
>
> The British government is still determined to press ahead... but the vehemence of the commonwealth opposition is bound to strengthen British domestic opposition.

And lastly the *Daily Mail*, during the conference in early September of this year, accused the Prime Minister of sulking because of hurt pride in politics.

Mr. Speaker, if anyone should tell me, when you find articles of that nature published in leading newspapers in the United States and leading magazines and periodicals in Britain, that the prestige and international reputation of Canada has not suffered, I would be a very surprised man. Yesterday, Mr. Speaker, I was accused of making an unthruthful statement and was criticized for it, but I said nothing more than the truth. To me, Mr. Speaker, a new member in this house, it is a shocking and deplorable thing that a government, having made extravagant and irresponsible statements such as those mentioned by the Leader of the Opposition when he reviewed the life of this government, and such as those I have read, which in spite of these misleading statements was beaten at the polls, should insist upon carrying on. To me it is an even more shocking thing for the government to adopt the attitude that it did at the recent prime ministers' conference. The Prime Minister, who had been beaten at the polls, saw fit to go to London purporting to speak for Canada without calling this house together to ascertain how the members felt. Is that the conduct that you would expect from a government which says that it has restored the rights and prestige of parliament?

Mr. Pickersgill: "Let's cool off".

Mr. Nicholson: Responsible government is the foundation of our democratic institutions. I feel, Mr. Speaker, that I would be gravely remiss in my duties as a member of this house if in my first utterance in debate I did not

express my opinion of the government's complete disregard of this basic constitutional principle of responsible government.

Now, Mr. Speaker, I should like in the balance of the time at my disposal to deal with the speech from the throne. It is noticeable not so much for what it says but for what it fails to say. There is a sad lack of any clearly-defined program for this session, and a complete failure to recognize that if the economy is to boom again measures must be taken to stimulate growth and production in the nation's industries. Attention has been drawn to the fact that no mention whatever is made in the speech from the throne of Canada's important fishing industry. But what is even more remarkable is that no mention whatever is made of Canada's most important industry, the forestry industry. There is no mention of forests, forestry or forest products in the whole of the speech from the throne. There is a passage to the effect that the government will reintroduce some legislation eliminating or correcting discrimination in the logging tax, but apart from that there is no mention whatever of any intention to improve matters or conditions in the nation's most important industry. And yet, Mr. Speaker, one out of every 12 Canadians working in the nation's goods manufacturing industries is concerned with forestry and the manufacture of products from our trees.

Of all the manufacturing industries in this country the forest industry stands first in employment, first in terms of wages paid, in new investment and in net value of output. Approximately one third of Canada's total export earnings come from the sale of forest products outside of our boundaries or approximately $2 billion a year. Yet in the speech from the throne there is to be found not a word of what the government intends to do to help this industry. It is not only important to the province of British Columbia, where 50 cents of every dollar comes out of the forest industry, but it is also important to the economies of New Brunswick, Newfoundland, Nova Scotia, Ontario, Quebec and other provinces.

This industry has serious problems. During the question period yesterday I referred to one of them, namely the move on the part of the lumber industry in the United States, which is by far our most important market, to reduce through a quota arrangement lumber imports from Canada. A hearing opened before the United States tariff commission in Washington earlier this week on a petition lodged by the lumber manufacturers of the Pacific northwest. Vancouver, Ottawa, Toronto and other Canadian papers have made extensive references to this inquiry. The Vancouver papers are full of it. These articles all highlight one thing, namely that the prime thing that is actuating these Americans in their request is the fact that the Canadian dollar has not only been devaluated but has been pegged at 92½ cents. The United States manufacturers put this fact forward as their basic case. They contend that this devaluation of the dollar constitutes a built-in tariff wall. While admittedly the forest and other Canadian industries have gained some temporary advantages from the "pegged" devaluation, the tables are now turning. As the leader of the Liberal party and other spokesmen on this side of the house have been saying for weeks, the tables are now turning and this move of pegging the dollar which has resulted in the built-in tariff is now becoming a matter of grave concern to Canadian lumbermen and other exporters.

I had hoped, Mr. Speaker, that my old friend the hon. member for Victoria-Carleton (Mr. Flemming) would be in the house today, as I should like to have congratulated him upon his appointment as Minister of National Revenue. As an old friend I congratulate him on the appointment and I wish him well in the tough spot in which he finds himself because of the government's austerity program. However, in congratulating this new minister upon his appointment I know I voice the feelings of the forest industry in all parts of Canada that it is a matter of grave concern that this government is so short of good men that one man is obliged to handle two of the most important portfolios.

An hon. Member: One did not exist under the Liberals.

Mr. Nicholson: It seems to me that when parliament in its wisdom decides that there should be a department to look after the welfare of the nation's most important industry, the importance of that industry warrants the appointment of a full-time minister to look after it. When the Department of Forestry Act was passed great stress was laid on research. In fact, three of the five subsections which define the powers of the minister deal with research. In the light of the stress that was placed on research, it is a matter of great regret that, as to the research program which the industry hoped for, no action is being taken upon it. Research is urgently and vitally needed in the forest industry in this country. One has only to go back, as some of my friends in the far corner will recall, to the time when hemlock was a waste product in British Columbia, good for little more than a firewood. Suddenly as a result of research it has become a valuable product in the manufacture of high quality pulp and paper. Cedar is equally a wood that was discarded. Eighty per cent of all the

red cedar in the North American continent is in the forests of British Columbia. Only 75 per cent of the cedar is being cut because there is no economic use for the older trees. The matter calls for extensive research. Yet little has been done in that regard.

While in the speech from the throne reference is made to the fact that the government is going to give the big corporations some tax incentives in order that they may carry on further research, what are they doing for the small businessmen? What are they doing for the loggers in British Columbia, with their stands of cedar, who have these problems to solve? Nothing is being done in that regard as they cannot get any benefit out of these tax incentives. Speaking here on behalf of the small operators in all parts of Canada I say that it is high time the government did something about research in this important field of forestry.

I might say that I have a soft spot in my heart for research because during the 15 years that I was in industry, nine and a half of them in the Polymer Corporation, we plowed millions of dollars into research. Think of the handsome dividends that are being paid today on the money that was timely spent at a difficult time in the history of the Polymer Corporation.

If we were to arrange the large nations of the world today in order of their strength, virility and effectiveness, in either peace or war, we would find a similar order if we were to substitute for effectiveness the total national expenditure a nation makes on scientific research.

Mr. Speaker: Order. I regret to advise the hon. member that the time allotted to him has expired.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, one of the trials under which I suffer now in returning to parliament after four years absence is the long unwieldy title that has been attached to my constituency. I cannot help thinking that it is a typical Conservative action, namely as much as possible to smother reality in words.

In coming back to this chamber after four years absence I must confess that I have been assailed with the disconcerting thought that in spite of the rapid pace of events in the world outside, here is some strange cloud-cuckoo land in which time stands still. What do I find, Mr. Speaker? I find our old friends the Prime Minister and the Leader of the Opposition still brandishing their wooden swords, waving their cardboard shields, fighting the mimic battle all over again as they did previously, as they were doing when I left here in 1958. I suppose one can say there is something quaint, amusing and entertaining in this stylized performance; but to me there is something dismaying and disturbing in the flippant and frivolous manner in which these two eminent gentlemen discussed the problems of the nation, if that is what they were doing, on the highly intellectual plane of "You're another", obviously more concerned not with how Canada's affairs are to be conducted but with who is to get the job of conducting them.

My hon. friend, the leader of this group and member for Kootenay West (Mr. Herridge), remarked the other day on the strange fact that the Liberal and Conservative parties can examine the same set of statistics and come up with diametrically opposed conclusions. I am equally impressed by the manner in which these two great parties regard certain dates in history such as the year 1957.

The Liberal party, of course, regards the year 1957 as a date hardly less significant than the fall of man when our first parents were expelled from paradise. Ever since, of course, they have been standing wistfully at the gates, like houris at the gates of paradise, hoping again to be admitted to the green gardens. On the other hand, the Conservatives, of course, regard 1957 in much the way in which the leaders of the revolutionary movement, the liberation movement, regard the anniversary of the day on which they led the forces of liberation to victory, and like such liberators they have a tendency, of course, to imagine that by harping on the horrors of the previous government people will tend to overlook the horrors of the new one.

Being neither a Liberal nor a Conservative I have a different view of 1957 and I rather suspect it is the view that history will take of that doom-laden year. I rather suspect that history will regard 1957 as the year in which the Canadian people awoke from a long uneasy slumber, shot by the occasional nightmares of 22 years of Liberal rule, and that when they awoke, rubbed their eyes and regarded the spectacle of the results of those 22 years they went stark, raving mad and elected a Conservative government.

I am interested in the way in which both the Liberals and Conservatives would have one believe that the year 1957 was a sharp cut-off date at which everything changed. Of course, if one examines the statistical record one finds that there is not even the slightest irregularity in the dismal curve down which we have been descending for the last decade. This government's incompetence, and heaven knows that has been well proven in the last five years, is not so much in having created a crisis as in having been unable to cope with the crisis already created by their Liberal predecessors.

In fact, I wonder sometimes, Mr. Speaker, if the well known occult powers of the late prime minister Mackenzie King may not have descended to his successors because they would seem to know when it is advisable to lose an election, and I wonder whether the hon. member for Bonavista-Twillingate (Mr. Pickersgill) may perhaps be the custodian of that crystal ball. I must say that it was one of the brighter moments of my life the other day to hear the honourable and irrepressible member for Bonavista-Twillingate, standing arrayed in the white robes of purity, washed in the waters of repentance, with not even a smidgen of oil from the trans-Canada pipe line soiling the hem of his garment, reading us a lecture on the evils of cynicism in public life.

Mr. Pickersgill: I did not read it.

Mr. Cameron (Nanaimo-Cowichan-The Islands): No, I must say he did not read it; he spoke it. I must say, sir, that there can be no one more expert in cynicism in public life than the members of that group who, with cynical abandon, very nearly destroyed the high office that you now adorn and, moreover, utterly and completely destroyed the unfortunate incumbent of that period. There must, I think, have been great joy in heaven, if what we are told is true that there is more rejoicing in heaven over one repentant sinner than a hundred righteous men. The hon. member stood there, as I say, giving us a sermon on the evils of political cynicism.

An hon. Member: Amen.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I must say sir, that though I do not pose as an expert on the mores of revival meetings, it strikes me as rather comic that the repentant sinner should go up the sawdust trail so rapidly that he cannot even pause for a moment at the mourners' bench before leaping into the pulpit.

Mr. Pickersgill: I have been there for five years.

Mr. Cameron (Nanaimo-Cowichan-The Islands): However, sir, I must not fall into the error of the two great political parties and rake over old and rather malodorous straw. We have to regard what is now proposed for the future by these two great parties of Canada and, of course, if we refer to the throne speech we have some difficulty in discerning just what that program may be. I note that it is one of the aims of the government to adopt measures to develop the Canadian economy, to maintain a high level of employment, to strengthen the balance of payments—all very laudable aspirations. Unfortunately, the rest of the speech does not reveal that the government has the slightest idea of how to achieve these laudable purposes.

One of the points in the throne speech that particularly interested me was the matter of incentives to our shy and diffident business community. I would have thought that the present all too generous depletion and depreciation provisions with regard to oil, petroleum and minerals would have been enough to encourage even the shyest entrepreneur to proceed on his way in making profits. But no, we give him some further incentives. I was particularly interested to notice that some help is to be afforded to the hard-pressed forest products industry of British Columbia, about which the hon. member for Vancouver Centre (Mr. Nicholson) was speaking a few moments ago, because I recall that just a few days before I left the Pacific coast to come to Ottawa two of the largest lumber corporations in Canada were indiscreet enough to report that in the first half of 1962 their profits had increased over the same period in 1961 by 43 per cent and 50 per cent respectively. If this is part of the belt tightening process, then all I can say is that it is going to be a highly selective process. But I am quite sure that those of my constituents, of whom there are a great many who work in the forest products industry, who are members of the international woodworkers of America and the pulp and sulphite workers, will be greatly interested in this gesture toward their employers, particularly as they have recently signed a no-pay-increase agreement on the basis of the stringencies affecting their industry.

We all know, of course, that our Prime Minister is a very devout and pious man but it does seem to me that it is carrying piety to extreme lengths to undertake to implement a policy on one scriptural adjuration alone, namely, "to him that hath shall be given and from him that hath not shall be taken away even that which he hath". I have observed that spokesmen both for the Conservative party and for the Liberal party are apparently hoping to overcome our present discontents by re-establishing patterns of the past that have been irretrievably shattered. It is a truism, of course, that we live in an age of revolutionary change, but unfortunately a great many of our people, perhaps a majority, are unable to accept the fact that this truism is in actual fact the plain unvarnished truth. The confusion perhaps arises from a misuse of words or a misunderstanding of words, perhaps a semantic confusion. To all too many people the words "revolution" and "revolutionary" conjure up visions of Fidel Castro or communist conspiracy or people with bombs and beards plotting in basements

when in actual fact the revolutionaries of the twentieth century are to be found in other places. They are to be found in our laboratories, in our technical and engineering institutions. They are being urged on in their revolutionary work, of course, by the self-styled opponents of revolution.

They, of course, themselves would be horrified to hear themselves described as revolutionaries. However, they are the real revolutionaries of today and all our problems of today result from the revolutionary activities of these people about whom we hear very little. The European common market, balance of payments, the grim and rising tide of unemployment, the shattered trade patterns, all these arise from the work of these revolutionary forces in our midst. I would suggest, sir, it is time we in this house recognized this revolution and realize that sooner or later throughout the world we have to establish revolutionary institutions to match this technological revolution which is taking place.

I am among those who find it literally impossible to believe that 18 million people in possession of the largest per capita natural wealth in the world are able to produce poverty without the exercise of the utmost ingenuity. We have not lacked ingenuity to date. We have, indeed, been more than ingenious in devising stumbling blocks in our way. In the meantime, we have to face some immediate problems. I suggest to you, sir, we are not going to face them by attempting to re-establish institutions, patterns and customs that have now been shattered beyond repair.

Let us take this question of export trade of which we hear so much from all sides of this house. While the objective of the division of labour throughout the world and the specialization of production between the different economies of the world is undoubtedly a desirable and commendable objective, surely the spectacle of 18 million people allowing themselves to drift into the position where they depend for the elements of their daily living on their ability to force on other people their surplus goods, while at the same time rejecting and resisting as far as possible the efforts of others to force their goods upon us, speaks of inspired lunacy. There is mounting evidence, I suggest, that we are not going to be allowed to pursue these lunatic paths much longer, even if we choose to do so. It is painfully evident that something else must be done. Let us, by all means, export what we can of our surplus products. Let us, by all means, find all the customers we can. But let us recognize that the day is gone when we are going to live in Canada in the lap of luxury, trading in traditional patterns.

We are approaching the end of the age of pack rats, as someone has described this age in which the energies of the human race are devoted to transporting materials back and forth across the face of the globe. May I suggest, Mr. Speaker, that in facing these problems we might well take a look at our own Canadian history to see if a study of that history may not give us a solution for our immediate problem. I am always surprised and somewhat dismayed to hear the statement made, as it is made plainly and bluntly in the throne speech, that Canada's development will continue to require imports of capital, a statement in which I believe the Liberal opposition concur. This is an approach that I completely reject on two grounds. The first is that it is demonstrably false, and the second that it is an encouragement of the continuation of a process that has almost brought us to the brink of disaster.

I think that this is the time when we should begin to grow up. I have noted in recent months in the newspapers rather acid and pointed comments by various authorities in different parts of the world about Canada's infantile and regressive determination to remain in a state of economic infancy. Some very sharp things have been said about Canada and Canadians persisting in regarding themselves as an undeveloped economy in desperate need of help from abroad. I suggest to you, sir, that our history gives the lie to that position.

I should like to take you back, sir, some 20 odd years, to a time when we faced even more dangerous and difficult days than we face at the present time. In 1939 we were faced with the problem of playing our part in a war to exterminate the nazi disease that was creeping over the face of the globe. It is rather interesting to see what we did on that occasion. In fact, I think we sometimes forget the almost miraculous force of that war effort, the astonishing achievements of those years from 1939 to 1945. At that time, from the depths of the depression, with an industry grinding to a halt, almost overnight we transformed ourselves.

Now, there will be those who will say, it is all very well to go back to the days of war, but we cannot do that again. For one thing, people will say, look at the enormous volume of debt that was created. I want, first of all, to deal with this question of the necessity for importing capital which every member, even those who advocate the import of capital, fully recognize is fraught with great danger.

In 1939, the rate of capital formation in Canada stood at $754 million. Only three years later, in 1942, it had risen to a rate of

$1,556 million. We will be told, of course, that the people of Canada endured all manner of hardships and restrictions during the war, and cannot possibly be asked to undergo them again. Well, statistics do not bear that out because I find that personal expenditure on consumer goods and services rose from $6,510 million in 1939 to $9,261 million in 1945. Then, we are told, of course, as I say that we would only add to our mounting debt. I have some figures that cast not only a revealing light on what occurred at that time but also what has occurred since those days of the war.

In the depths of the depression in 1933 and 1934 the charges on Canada's national debt consumed over 8 per cent of our gross national product. Throughout the whole of the war, when an enormous war production program was being carried on, when standards of living were being raised throughout the country, the carrying charges on Canada's national debt remained almost constant at just over 4 per cent of the gross national product. Here, perhaps, is an indicator, Mr. Speaker, of the truth of what I said a few moments ago, that the crisis in which we are involved today had its genesis long before the advent of this unfortunate and incompetent Conservative government. I find that back in 1955 the carrying charges on Canada's debt had dropped to 1.8 per cent of the gross national product. In 1957 they went even lower to 1.6 per cent of the gross national product, and last year they had only risen to 2.1 per cent of it. Therefore I suggest that there is ample leeway for a vast expansion program in Canada without any dangers whatsoever of the sort of inflationary pressures which many fear, or any dangers of an overwhelming burden of public debt.

For that reason I would recommend to the government and the Liberal party that they should divert some of their attention from trying to re-establish broken patterns of conduct and behaviour and seek an outlet elsewhere.

If it was possible for Canadians to place their economy, as we did, at the service of the war to defeat nazism, is there any reason today why we cannot place the Canadian economy at the service of providing for the raising of living standards throughout the world? Is there any reason whatsoever why the Canadian government cannot plan, and inaugurate a planned program of production to meet the needs in capital goods of the underdeveloped areas of the world, and do it by long term low interest or no interest credits? Even if we were never repaid we would be in no more difficult or dangerous position than we were during the war when all this vast expansion of production was consumed by the Canadian people in the sense that it was paid for by them, and in the process Canada refound prosperity. I would suggest that this is the great task of the present age.

We have become so involved, mentally and psychologically, in the absurdities and horrors of the cold war, in mutual bomb rattling and bomb testing, and in mutual suspicions, that we are overlooking the fact that this cold war, with the possibility of its erupting into a hot war, is already becoming a thing of the past; that there is another war that is beating on our doors today, and that is the war against hunger, misery and ignorance throughout the world. That is a much more dangerous war. It is a war which, if we lose it, will have as disastrous consequences as any that might come from a nuclear explosion.

Here we have the vast majority of the human species, because remember we members of an affluent society are only a small proportion of the human species, living in conditions which we would consider intolerable deprivation and hardship, and one of the reasons for the revolutionary actions I was speaking about is that today, for the first time in history, two things have happened. One is that we have conquered the problem of production. We know now we can create material abundance, and the other is that, also for the first time in history, human beings in every part of the world are made aware, by sight and by sound, of the way in which other human beings live in other parts of the world.

It is one thing to hear vague rumours that people on the other side of the world live in comfort and luxury while you yourself live in poverty, but it is an entirely different thing to see a picture of these affluent people on the television or movie screen. The vast bulk of the have-nots in this world are not long going to be content. They want to come into the twentieth century.

Here, I submit, is a golden opportunity for a country such as Canada to place our economy—our developing economy, and let us not be silly and place ourselves on the same economic level as Ghana—in the forefront of a drive to combat this misery. We are a developed economy. We can generate our own capital, we have done it before. So let us advance now on this much more important war, this war for human freedom, this war for human decency, this war against misery.

Would not this lay the foundation for a real clarion cry of advance, a call to arms to which every Canadian could respond with good heart? It would give our nation that thing which everyone says we need desperately, a sense of national purpose, and it would give each individual Canadian one thing that every individual requires, a sense of spiritual purpose.

This, I submit, is the challenge of the twentieth century, and this parliament and this nation will fail that challenge at their peril.

(Translation):

Mr. Marcel Bourbonnais (Vaudreuil-Soulanges): Mr. Speaker, I only have time to offer you my congratulations on your recent appointment, and especially for the manner with which you conduct the debates in this honourable chamber.

Mr. Speaker, may I call it six o'clock?

(Text):

Mr. Speaker: It now being six o'clock I shall leave the chair. Pursuant to order made Wednesday, October 3 last, this house stands adjourned until Tuesday next at 11 o'clock a.m.

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

HOUSE OF COMMONS

Tuesday, October 9, 1962

The house met at 11 a.m.

FINANCE

STATEMENT WITH RESPECT TO NETHERLANDS LOAN ADVANCE REPAYMENT

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, this statement would have been given on Friday had I received official notification of it in time to give it on the order for motions. As a matter of courtesy I am making it now.

As the house undoubtedly knows at this time, the government of the Netherlands paid to the government of Canada in advance of maturity $32,130,000, representing one half of the remaining debt owed by the Netherlands to Canada for credits received in the years immediately following world war II.

The credits to the Netherlands were part of the post-war Canadian program of assistance to many European countries, including the United Kingdom, Belgium, France, the Netherlands and Norway, designed to help in the reconstruction of their economies. The total credits extended by Canada to the Netherlands in the immediate post-war period amounted to $123.9 million. Repayments by the Netherlands to the end of April, 1962 had reduced the amount outstanding to $64,260,000.

The Canadian government has welcomed this initiative of the Netherlands government. The repayment of this sum in advance constitutes impressive evidence of the economic progress achieved by the Netherlands since 1947; it is a further example of the close ties of friendship between Canada and the Netherlands, and of the growing economic co-operation among the free nations of the world. It will make a further substantial contribution toward the strengthening of Canada's foreign exchange position.

EXPROPRIATION ACT

AMENDMENT REQUIRING NOTICE TO ALL INTERESTED PARTIES

Hon. Paul Martin (Essex East) moved for leave to introduce Bill No. C-54, to amend the Expropriation Act.

Some hon. Members: Explain.

Mr. Martin (Essex East): This bill was on the order paper last year and was not reached. The purpose of the bill is to bring the Expropriation Act into a position consistent with the bill of rights, and represents something that should have been done by the government.

Motion agreed to and bill read the first time.

WAR MEASURES ACT

AMENDMENTS RESPECTING TREATMENT OF CANADIAN CITIZENS

Hon. Paul Martin (Essex East) moved for leave to introduce Bill No. C-55, to amend the War Measures Act.

Mr. Pickersgill: Explain.

Mr. Martin (Essex East): This is a bill designed to bring the War Measures Act into a position consistent with the bill of rights. This bill seeks to do what the Prime Minister told parliament, after the passage of the bill of rights, the government itself would do.

Motion agreed to and bill read the first time.

TRADE

CUBA—RUSSIAN CARGOES CARRIED IN CANADIAN SHIPS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether his attention has been called to a special report made to the state department in Washington by the United States maritime administration on, among other things, the part being played by eight Canadian owned ships in trade between communist countries and Cuba.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, this question was before the house the other day. Canada is not directly involved in this matter. We have been informed of the recent United States shipping regulations relative to trade with Cuba, but so far as I know there are no ships of Canadian registry that would be affected. Canada, as the house knows, does not permit the export to Cuba of arms or strategic materials. That is the basis of Canadian policy on this question, and it is not affected in any way by the activities of these ships to which the Leader of the Opposition has made reference and which, as I stated earlier, under maritime law and general international law are subject to the laws of the

country under whose flag they operate. The eight ships in question are under British registry and, I again state, are not subject to Canadian laws or regulations.

Hon. Lionel Chevrier (Laurier): I should like to ask a supplementary question. Can control not be exercised over these ships or the companies owning them because of the fact that their profits are taxed in this country and the money goes into the federal treasury?

Mr. Diefenbaker: Mr. Speaker, I certainly have no information in that regard, but I will look into that matter and ascertain whether there is any basis for the views expressed by the hon. gentleman.

CEMENT—IMPORT OF CARGO FROM CUBA

On the orders of the day:

Mr. Hubert Badanai (Fort William): I have a question for the Secretary of State for External Affairs. Can the minister inform the house if the destination of a shipload of cement which came from Cuba has been traced, and if so can the minister reveal the name of the importer?

Hon. Howard C. Green (Secretary of State for External Affairs): No, I have no information with regard to that.

REPORTED CRITICISM OF NORTH AMERICAN BUSINESSMEN

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I should like to direct this question to the Minister of Trade and Commerce, believing that he is the member of the cabinet in this house who is seeking the co-operation of Canadian businessmen. I wonder if the minister's attention has been drawn to an irresponsible statement by a delegate to the socialist convention, that North American businessmen were uncivilized apes as compared to businessmen of Europe. Would he care to comment on that?

Hon. George H. Hees (Minister of Trade and Commerce): I have not seen the statement, Mr. Speaker, but if that statement was made I would very strongly disagree with it.

Mr. Winch: May I ask, sir, why you did not rule that out of order as an irresponsible question?

AUTOMOBILE TRANSMISSIONS—CONTINUATION OF EXISTING TARIFF

On the orders of the day:

Mr. H. E. Gray (Essex West): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact that the present permission for duty free entry of automatic automobile transmissions expires on October 31, can the government indicate at this time that it will not continue to waive the existing 25 per cent tariff after that date?

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, as the hon. member knows, this is a matter which has occurred at the end of every six months for some years. The government has given consideration to the problem, and in due course its decision will be announced.

EFFECT ON FISH EXPORTS OF RUSSIAN BASE IN CUBA

On the orders of the day:

Mr. E. L. Morris (Halifax): Mr. Speaker, may I ask the Minister of Fisheries a question of which I have sent his office notice. May I inquire whether he is in a position to assess the possible effect on our traditional Caribbean markets, and if any representation has accordingly been made to the Soviet union or Cuba, concerning the announced intention by the former to build a $12 million fishing port within the latter, presumably in Havana bay, to service the Soviet fishing fleet in the north Atlantic?

Mr. Speaker: Order. Here again I think the hon. member will recognize that he has made his representations and that the question is more fitting for the order paper.

(Translation):

WORLD FAIR—REQUESTS FOR FEDERAL SUPPORT

On the orders of the day:

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, the hon. member for Lafontaine put to me a question to which the answer is no. No Canadian city, except Montreal, has asked the government to make the necessary request to obtain the world fair in 1967.

STATEMENT RESPECTING RESTRICTIONS ON BUYERS AND SELLERS

On the orders of the day:

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, last Friday the hon. member for Bellechasse asked me a question. The answer is that I had no knowledge of this particular shipment. Any buyer or consumer in Canada is free to get his supplies where he sees fit, taking into account prices, availability, characteristics and time to be allowed for delivery of the product.

(Text):

PUBLIC SERVICE

MESSRS. WHITELEY AND SMITH—REASON FOR NOT EXTENDING APPOINTMENTS

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Justice. Is there any connection between the government's decision not to reappoint Mr. C. Rhodes Smith and Mr. Whiteley as members of the restrictive trade practices commission and a report in that connection involving the manufacture, distribution and sale of paperboard shipping containers and related products, especially in view of the fact that one Mr. McCutcheon is referred to in that particular report?

Mr. Speaker: Order. I think the hon. member has asked a number of questions in regard to this matter and in my view the question is definitely of the kind that should appear on the order paper. Furthermore, I believe I would have to look at the question on the order paper, since it seems to express some sort of opinion contrary to the spirit of questions on orders of the day.

A. S. WHITELEY—INQUIRY AS TO RETURN TO CIVIL SERVICE

On the orders of the day:

Mr. David Lewis (York South): I should like to ask the Minister of Justice if, as he informed us the other day, Mr. A. S. Whiteley, a member of the restrictive trade practices commission, is not to be reappointed at the end of this month, the minister has given consideration to returning Mr. Whiteley to the civil service, in view of Mr. Whiteley's long and loyal service to the government of Canada and to the people of Canada.

Hon. Donald M. Fleming (Minister of Justice): I have no power to appoint anyone to the civil service. Mr. Whiteley has the rights that are open to anybody in that respect.

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State. In view of the answer given to the hon. member for York South by the Minister of Justice, will he himself, and will he have the civil service commission, look into the case of Mr. A. S. Whiteley to make sure that his rights as a long time civil servant are protected? There seems to be some uncertainty as to those rights, in view of the fact that he came out of the civil service and took this position on a commission for ten years.

Inquiries of the Ministry

Mr. Speaker: Order. I am sure the hon. member for Winnipeg North Centre, expert as he is in the rules of this house, would agree with me that he has made representations rather than seeking urgent information from a minister of the crown.

Mr. Knowles: On a question of privilege, Mr. Speaker, this is a matter of concern not only to one individual but to civil servants generally. We have not yet had an answer from the government as to whether a civil servant's rights in a case like this are protected.

Mr. Speaker: Order. I feel, also, that the hon. member was endeavouring to make his argument under the guise of privilege when no privilege of either himself as an hon. member of this house or of hon. members generally has arisen.

TRANSPORT

RAILWAY BRANCH LINES—REQUEST FOR POLICY STATEMENT RESPECTING ABANDONMENT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Transport arising out of the many applications now before the board of transport commissioners for the abandonment of railway branch lines. Has the government formulated any plan or policy for the orderly abandonment of railway branch lines, as has been requested by the Canadian Federation of Agriculture? Will any such plan include compensation for those whose income and investment are seriously affected by the abandonment of a branch line?

Mr. Speaker: Order. I think perhaps if the hon. member worded his question in a proper way it would be appropriate for this time of day. We have had a series of three questions which would lead me to believe that they would have been more appropriate on the order paper.

Mr. Argue: Before you make your ruling Mr. Speaker, I wonder if you would hear me for one minute concerning the urgency of this question. I should like to point out to Your Honour that there are a number of applications now before the board of transport commissioners for the abandonment of branch lines all across this country. The first hearing is to be on Monday next. This question has been placed before the government repeatedly, and I feel it is urgent in view of the hearings that are about to commence. I believe the minister was prepared to reply to the question.

Mr. Speaker: I did not disagree with the hon. member that the question was urgent.

I was more concerned about the form in which the question was put. If the hon. member is prepared to rephrase his question appropriately, without a number of addenda or tail ends, perhaps he could get his question properly before the house. If he now would limit his question to the first part, and the hon. minister is prepared to answer that question, perhaps the hon. member could get a reply to his question.

Mr. Argue: I would be quite happy if I could get a reply to even the first part of the question.

Hon. Leon Balcer (Minister of Transport): In reply to the first part of the question I would say that the matter is under active consideration by the cabinet and an announcement will be made in due course.

PUBLIC WORKS

NOVA SCOTIA—REQUEST FOR ESTIMATE OF STORM DAMAGE

On the orders of the day:

Mr. E. L. Morris (Halifax): May I ask the Minister of Public Works whether he is in a position this morning to assess the extent of the week-end hurricane damage to fishermen's wharves and breakwaters in Nova Scotia?

Hon. E. D. Fulton (Minister of Public Works): As soon as the hurricane abated, our engineers went out to the various centres where damage took place, to assess the damage. I am advised that it will take a week or so before they can make a close estimate of the damage, but a preliminary investigation shows there was little damage in New Brunswick, but in Nova Scotia damages are fairly heavy at least in the four counties of Lunenburg, Shelburne, Queens and Yarmouth.

HOUSE OF COMMONS

WEST BLOCK—FAILURE OF BELLS TO CALL MEMBERS

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I should like to direct a question to the Minister of Public Works. Would the minister please explain why the bells did not ring this morning to inform members in the west block that the house was sitting?

Hon. E. D. Fulton (Minister of Public Works): No, I am unable to inform the hon. member as to the reason, but I shall be glad to look into it and have an expert electrician attend to the matter.

[Mr. Speaker.]

(Translation):

CANADIAN BROADCASTING CORPORATION

ALLEGED RESTRICTIONS APPLIED TO BOTH NETWORKS

On the orders of the day:

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to ask the Secretary of State if the restrictions imposed upon the C.B.C. under the austerity program are applied to one network only or to both the French and the English networks.

Mr. Speaker: I do believe that, according to the rules, the hon. member ought to put his question on the order paper.

CANADIAN BROADCASTING CORPORATION

REPORTED COVERAGE OF ELECTION IN QUEBEC BY TORONTO TECHNICIANS

On the orders of the day:

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I wish to put a question to the Secretary of State. Is it true that the director of the C.B.C. news service sent a group from Toronto to cover the election in the province of Quebec rather than a group from Montreal?

(Text):

Hon. G. E. Halpenny (Secretary of State): I shall check with the corporation and let the hon. member know tomorrow morning.

(Translation):

Mr. Gregoire: A supplementary question, Mr. Speaker. Is it true that in accordance with the austerity program, a team of eight men was sent from Toronto, with a single representative from the Montreal French network, to cover the incidents which occurred in Mississippi?

Mr. Speaker: Order. I regret to interrupt the hon. member, but in my opinion, he must be able to see the difference between a supplementary question and a related question. The hon. member cannot ask for an explanation from the Secretary of State, since the minister stated that he would take the question as a notice. The last question the hon. member wanted to ask was rather related to his first one.

(Text):

CANADIAN PACIFIC RAILWAY

KETTLE VALLEY—APPLICATION TO DISCONTINUE PASSENGER SERVICE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Prime Minister which is of urgent importance to the people of the Kootenays, because the

sands of time are running out. Has the Prime Minister received representations from municipalities, labour organizations, other organizations and members of his own party in respect of the application of the Canadian Pacific Railway for the discontinuance of passenger service on the Kettle Valley Railway? If so, will he tell the house what his reply was to them?

Mr. Speaker: While I very much appreciate the local concern in the area from which the hon. member comes, and I know it is a very fine part of the country, I feel that he has made his representations; but if he wishes to go into the question further it should be put on the order paper.

(Translation):

AIR TRANSPORT

STUDY OF RADIOACTIVITY ON HIGH ALTITUDE FLYING

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to address a question to the Minister of Transport. Have the senior officers of the Department of Transport made a study concerning the hazards of radioactive fall-out for aircraft flying at high altitude? What steps does the department intend to take with a view to protecting aircraft and their passengers against those hazards?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I received notice of this question only a few minutes ago. I shall have to inquire of the senior officers of my department. I know they are interested in the matter, but I am unable to give a definite answer this morning since this matter is of a strictly technical nature. I am not in a position to say at the moment what are the results of this study made by the officials concerned.

BRIDGES

CHAMPLAIN BRIDGE, MONTREAL—COST OF APPROACHES

On the orders of the day:

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I would like to ask the Minister of Transport a question. Is it true that last Friday he promised the municipal authorities of Montreal that the government would pay the cost of the approaches to Champlain bridge?

Hon. Leon Balcer (Minister of Transport): No, Mr. Speaker, there is no change in the stand taken by the national harbours board who abide by their agreement signed some five or six months ago with the authorities of the city of Montreal.

(Text):

LABOUR CONDITIONS

INTERNATIONAL NICKEL CO.—PROPOSED LAY-OFFS

On the orders of the day:

Mr. Bert Leboe (Cariboo): I wish to direct a question to the Minister of Labour, which he may want to take as notice. In view of the government's policy to encourage industry, and in view of the large tax bill of International Nickel, what steps, if any, are being taken or contemplated to assist workers in the matter of lay-offs at Port Colborne?

Hon. Michael Starr (Minister of Labour): I can assure the hon. member for Cariboo that all the facilities of the government will be placed at the disposal of those who are laid off, and every possible assistance will be given to them.

FISHERIES

NEWFOUNDLAND—REPORTED SHORTAGE OF BAIT

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I wish to direct a question to the Minister of Fisheries. In view of the acute shortage of squid required as bait for the catching of codfish by Newfoundland fishermen, would the minister advise whether his department intends obtaining squid from other countries, as he did in 1958-59, and would he state whether explorations for squid are being carried out in the waters of Newfoundland in the meantime?

Mr. Speaker: Order. I would point out to the hon. member for Trinity-Conception that even though the problem might appear very important to the fishermen, the purpose of orders of the day is to seek information urgently which is not available from other sources. The hon. member has made his representations.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I may say a word on the ruling that Your Honour was considering making. I think perhaps Your Honour, coming from Alberta, does not quite appreciate the importance of getting bait at this time and not in two or three weeks from now, when we might hope for a response to a question put on the order paper.

This is a very urgent matter, not just to one community but to the whole province of Newfoundland and to the most ancient industry in this country. I feel sure the minister would be only too happy to make a response.

Inquiries of the Ministry

Mr. Speaker: Order. I think I indicated in my remarks that I did not for one moment downgrade the importance of the subject matter, but I think the hon. member for Bonavista-Twillingate is also quite aware of the immediate purpose of questions on orders of the day. The hon. member has made his representations. The minister could merely, if he wishes, take the matter as notice and delay his reply.

I think we are making progress in this regard, and I am hoping that with the passage of time we will arrive at some basis whereby we will mutually agree on generally what are the proper questions for this time. By so ruling this morning, I am not at all downgrading the importance of the subject matter to a community, in much the same way as the railway service in the Kettle Valley is important to the people of southeastern British Columbia as are I am sure the problems in connection with a shortage of bait to fishermen.

SPORTS

HOCKEY—REPORTED SALE OF TORONTO PLAYER TO CHICAGO

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of Justice. Is it not a fact that the sale of Frank Mahovlich to the Chicago Black Hawks at any price would constitute a violation of the Canadian Bill of Rights?

Some hon. Members: Oh, oh.

Mr. Pearson: It would help the exchange problem.

AGRICULTURE

QUEBEC—SUBSIDY ON TRANSPORTATION OF FEED GRAIN

On the orders of the day:

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, on October 4 last the hon. member for Lake St. John asked the following question:

> Mr. Speaker, I should like to put a question to the Minister of Agriculture. Does the minister intend to grant subsidies to Quebec truckers for the transportation of feed grain such as those he authorized in the province of Ontario?

Mr. Speaker, I have the answer here, but in view of your rulings I think the question would be more proper if placed on the order paper, when I would be glad to provide the answer immediately.

[Mr. Pickersgill.]

(Translation):

GRAIN STORAGE FACILITIES IN EASTERN CANADA

On the orders of the day:

Mr. Bernard Dumont (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

Are the plans for the construction of grain storage facilities in eastern Canada, as proposed in the speech from the throne, being prepared now?

(Text):

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, the hon. member is obviously referring to the speech from the throne where we have indicated that we are working on a new feed grain policy for all Canada, with special reference to British Columbia and the eastern provinces. That is as far as I can put forward our views at this time.

BUSINESS OF THE HOUSE

LEGISLATION TO ESTABLISH INDIAN CLAIMS COURT

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder whether I might ask the Minister of Citizenship and Immigration when the house might have introduced the measure indicated in the speech from the throne to establish a court of Indian claims, or an Indian claims court?

Hon. Richard A. Bell (Minister of Citizenship and Immigration): In the near future, Mr. Speaker.

HEALTH AND WELFARE

ROYAL COMMISSION—INQUIRY AS TO CONCLUSION OF HEARINGS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of National Health and Welfare a question based on a reply given by the Prime Minister on Friday last as to the time when the royal commission on health services would be making a report to the government. Can the minister say, in the light of this reply, if it is a fact that the royal commission has finished its public hearings; and, in that event, can the minister say what remains for the royal commission to do other than to write its report?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I would have to check on this to be sure of my answer, but I believe there is to be another hearing.

POWER

COLUMBIA RIVER—REPORTED TALKS RESPECTING SALE OF DOWNSTREAM BENEFITS

On the orders of the day:

Mr. Jack Davis (Coast-Capilano): Mr. Speaker, I should like to address this question to the minister for external affairs. Would the minister please inform this house whether the Canadian government is represented at negotiations which are currently under way in the United States between officials of the government of the province of British Columbia and officials of the United States federal government and other public authorities concerning the sale of Columbia river downstream benefits in the United States?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, there are no such negotiations under way at the moment. There have been informal negotiations, at which this government was represented.

(Translation):

EXTERNAL AFFAIRS

ROME—MESSAGE TO ECUMENICAL COUNCIL

On the orders of the day:

Mr. Maurice Rinfret (St. James): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

Like the United States administration, is it the intention of the Canadian government to send a message on the occasion of the opening of the ecumenical council which will open in Rome next Thursday, October 11?

(Text):

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I am not sure about a message, but Canada will have a representative at that conference.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, October 5, consideration of the motion of Mr. Gordon Chaplin for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. MacEachen.

(Translation):

Mr. Marcel Bourbonnais (Vaudreuil-Soulanges): Mr. Speaker, the first session of this new parliament is but a few days old and it already seems as though it is going to be a long one, profitable for the Canadian people, yet deceiving for the opposition.

I should like to associate myself with the distinguished members who spoke before me, to offer my humble congratulations to the mover and the seconder of the address in reply to the speech from the throne, the hon. members for Waterloo South (Mr. Chaplin) and for Nicolet-Yamaska (Mr. Vincent). Last fall, I made discreet inquiries in Nicolet-Yamaska to find a worthy replacement for His Excellency Hon. Paul Comtois, lieutenant governor of the province of Quebec, who had resigned his seat. Today, I am glad that last June 18, the people of that constituency approved the wise choice I made. I congratulate not only the new member for Nicolet-Yamaska but all the people of that fine riding for having elected a true farmer, a young man who will, in the true tradition of the Conservative party, uphold the rights of the Quebec farmers who were too long ignored by the Liberals at both the provincial and federal levels.

Speaking of new members, I should like to take this opportunity to offer my congratulations and encouragement to a member of the opposition, the hon. member for Chambly-Rouville (Mr. Pilon), whose grandfather, Dr. Hormidas Pilon, a professional veterinarian, represented the provincial riding of Vaudreuil at the Quebec legislative assembly for 32 years. He was a friend of the farmers, and the latter showed him eternal gratitude for the countless services he rendered to them. I hope the hon. member will follow in his grandfather's footsteps. He can be sure of my wholehearted sympathy when he has to discuss agriculture within the Liberal caucus or take the advice or orders of the turncoat member for Assiniboia (Mr. Argue), the Liberal expert on agriculture.

With regard to farming, I would like to draw a parallel between recent Liberal policy in this field and the principles applied by the Conservatives in the county I represent.

On one occasion—in 1940, if I remember correctly, and under Liberal rule—a unit of bulldozers invaded St. Dominique and St. Fereol in Vaudreuil-Soulanges, tearing down fences, toppling down trees, filling in ditches and letting the cattle of about 40 farmers and milk producers run off in an undescribable scramble before an invasion ordered by the dictators of this century, the Liberals of Ottawa.

In order to win the war and annihilate the common enemy, the farmers' fields and herds, as well as the observance of ownership rights, had lost their significance: those peaceful

people had to be shown that Canada was at war and that not even a second could be lost to build storehouses for explosives.

The administration of the day did not think it fit to send a message of warning to the farmers of that area to enable them to put their cattle on some other pasture, before the contractors' equipment changed the site earmarked by the Liberal high command for the erection of storage space for explosive matter.

You may imagine the disappointment, not to say the disgust, Mr. Speaker, felt by those 40 farmers or so who saw their land being invaded, their cattle chased about and their crops ruined because instructions had been given by the political appointees of the Liberal government to disregard ownership rights: the war effort was to be a total one, the stocking of explosive matters had a priority over the protection of cattle and farmers' rights.

That, Mr. Speaker, is a factual illustration of the Liberal attitude with regard to the farmers of Vaudreuil-Soulanges.

Moreover, after seizing part of their land for which a derisive price had been arbitrarily set, the Department of Defence Production under Liberal rule registered some assessments for about 75 per cent of the whole acreage included while offering $1 a year per acre in compensation. Not only did those farmers have their cattle annihilated, their crops and land put to waste, but they also had to suffer a considerable devaluation of their property without receiving—and this was under Liberal rule—any compensation from the Department of Defence Production.

For over 18 years of Liberal rule in the county of Vaudreuil-Soulanges, these forty-odd farmers had to endure the oppression of their Liberal dictators who, every time these farmers dared complain, would reply: "There is the solution, take it or leave it!"

A Conservative government had to come along, which studied the farmer's problems and offered them a more equitable compensation, which was accepted.

Today that problem is settled, and those farmers are happy to have received double the offer of the Liberals, thanks to the understanding and the intelligent policies of the present Minister of Defence Production (Mr. O'Hurley) to whom I wish to express my sincere gratitude on behalf of the people whom I have the honour to represent here.

[Mr. Bourbonnais.]

This, Mr. Speaker, proves the positive arrogance with which the Liberals approached agricultural problems in Vaudreuil-Soulanges.

Again today the farmers in my county are being pushed around by another Liberal government. This time, it is the construction of the trans-Canada highway to which the federal government contributes generously. Under the federal statute enacted in that respect, the location of the highway and the expropriation of land come under the exclusive jurisdiction of the province. The locations chosen by the provincial Liberal government could not make less sense. In Vaudreuil-Soulanges, the highway seems to have been designed so as to destroy as many cultivated areas as possible, thus forcing many farmers to abandon their farms. When the actual construction starts, the Liberals use the same system which is dear to them. Graders start working on the fields, destroying fences, wells and crops, without the owners being advised even a few hours in advance.

As you can see, Mr. Speaker, the Liberals' attitude towards farmers never changes. They seem to enjoy harassing the farmers. I should like to give another example of their lack of consideration for those people whose properties are expropriated to make way for the trans-Canada highway. Lately, a minister in Mr. Lesage's cabinet compelled a school board to buy land at $5,000 an acre for the construction of high schools. This land forms part of a 400-acre farm bought at $1,000 an acre by a group of Liberals under the instructions of the Liberal minister. It is adjacent to the land which will be expropriated for the trans-Canada highway. But the Quebec Liberal government has offered the farmers $250 an acre only for the land to be expropriated. The farmers are given $250 while friends of the Liberal party receive $1,000.

This is a further proof of the lack of consideration, to say the least, that the provincial Liberals as well as the federal Liberals have for the farmers.

When friends or institutions founded by them are concerned, the Liberals are ready to pay a high price; but they do not have the decency to give proper compensation to farmers who are deprived of their property.

There is another case which clearly shows the lack of seriousness of provincial Liberals,

caused by the paltry directives given by the federal member for Laurier (Mr. Chevrier), and in order to better identify him, I mean the ex-member for Stormont, who has now been transferred to the leadership of the federal Liberals in Quebec.

Mr. Speaker, this house will remember the pressure—

Mr. Chevrier: Mr. Speaker, I rise on a point of order. I have no objection to the hon. member referring to me, but according to a ruling of the previous Speaker, a member must not discuss provincial elections, nor anything concerning another legislative assembly, as was done by the hon. member for Vaudreuil-Soulanges; therefore I object to the attitude taken by the hon. member.

So I think, Mr. Speaker, that you should draw the hon. member's attention to that ruling.

Mr. Speaker: In reply to the point of order raised by the hon. member for Laurier, it goes without saying that we shall hear, from time to time, references to provincial legislative assemblies. I do not think that, during the debate on the speech from the throne, such references could not be accepted, but I believe the hon. member is right when he objects to his speech being considered as an opportunity to discuss the policy of a provincial government coming under another jurisdiction, or activities of prime ministers representing certain legislative groups. Therefore, I think reference cannot be made to such a matter. If the hon. member for Vaudreuil-Soulanges has somewhat slipped in this connection—and I believe that we can anticipate references of the same kind, from time to time, because we have heard some quite often—I should like, however, to advise the hon. member to come back to the business under consideration.

Mr. Bourbonnais: With pleasure, Mr. Speaker, I shall begin at once.

The house will recall the pressure exerted by the hon. member for Laurier in order to transfer the Soulanges canal to the Quebec provincial government, a federal property, insisting on the urgency of setting up therein a tourist park, fishing ponds and a birds' paradise. In support of his friends, who were about to vanish from the Quebec political picture, and making himself their spokesman, the hon. member for Laurier was preaching the importance of providing for the welfare of birds and fish, instead of supporting our project of a more practical use of the Soulanges canal properties, that is the sale of certain parts of the canal to interested firms, in order that some manufacturing industries might be set up that would thus provide to the numerous workers of the Vaudreuil-Soulanges areas who had been looking for jobs since June 22, 1960, more permanent and remunerative work.

Despite the merits of that project, and as a result of the pressure exerted by the hon. member for Laurier who thought that his Liberal friends from the Quebec government could implement some of their fantastic projects in the Soulanges canal area, that canal was handed over to the province in July 1961. But, since then, the friends of the hon. member for Laurier have kept silent, have not yet accepted the federal government's offer of handing over to them all properties in the Soulanges canal area, valued at more than $200,000, for the "enormous" sum of $1. Perhaps the financial situation in which the provincial government now finds itself, thanks to Mr. Lesage's tremendous team, does not allow it to dispose of a single dollar for the purchase of the Soulanges canal.

Mr. Denis: Mr. Speaker, the hon. member does not seem to heed your advice to refrain from talking about provincial politics.

Mr. Speaker: Until now, the hon. member has been dealing with representations and relations between the federal and the provincial governments about a site located in his own riding. I trust that the hon. member will recognize him the right to put forward his arguments.

Mr. Bourbonnais: Yet, last winter, the Liberals of the province of Quebec conducted the widest possible publicity campaign to bring about the transfer of the Soulanges canal. They prepared a model at great cost and displayed huge descriptive panels of their project at the sportmen's show held in the trade mart in Montreal. The minister of game and fisheries, accompanied by his deputy minister, his secretary, the director of fish-breeding for the province of Quebec, his assistant, the chief engineer of highways and his assistant, all of them came here last March in order to urge the Minister of Transport (Mr. Balcer) to transfer the canal to them immediately. They were even generous enough to give him 15 days to make a decision. This entire delegation, which was typically Liberal, made the trip from Quebec city to Ottawa at great cost, to demand that the Soulanges canal be handed over entirely to the Quebec Liberal government. They insisted that a decision be taken without delay so that fish could be put in the canal to enable fishermen to practise their favourite sport early in the following season.

On July 7, 1961, the Minister of Transport stated in this house that he was willing to

transfer the Soulanges canal to the Quebec Liberal government at the ridiculously low price of $1, and the minister of game and fisheries expressed his satisfaction at this happy solution, as reported in the press. But since that time, that is over a period of 15 months, we have not yet heard from the Liberal government of Quebec, nor from the minister of game and fisheries and we got no reply. Apparently, the ministers of the Lesage cabinet are too busy unravelling the threads of the Shawinigan water and power matter to follow up the projects about which they were raising such a clamour last year. I wonder what the hon. member for Laurier will have to say concerning the Soulanges canal.

Talking about the former member for Stormont, I must congratulate him for having the new member for this constituency elected.

But, Mr. Speaker, do you know how he realized that feat? It was because the hon. member for Laurier talked at only one meeting held by the Liberal candidate.

An hon. Member: That brought results.

Mr. Bourbonnais: Mr. Lamoureux was elected with a narrow majority of 60 votes, and if the hon. member for Laurier had talked more often at Cornwall, Mr. Grant Campbell would be member for Stormont now.

Mr. Denis: What majority did the Conservative candidate get?

Mr. Bourbonnais: The hon. member for St. Denis seems completely lost; a Liberal won the victory.

Turning to other matters, Mr. Speaker, I wish to draw the government's attention to the question of taxes paid to the federal government by companies producing power for public consumption.

It is urgent for the federal government to amend the Income Tax Act as regards corporations so that such provinces where power systems are privately owned may collect all taxes which power companies pay to the federal treasury. Such provinces would then be placed on an equal footing with those which own the power systems and, therefore, do not pay federal taxes.

This anomaly has become one of the main arguments used by a few socialists who have forced their way into Quebec's provincial Liberal party and who, through their revolutionary cries, are seeking to divide the French-speaking and English-speaking elements of the province of Quebec.

Mr. Speaker, as I do not believe in state ownership, I am against the nationalization of power companies—which Quebec's Liberal party wants to bring about—because in the long run, an enterprise without competition, that is without any counterpart in private enterprise, always ends up by costing more to the taxpayer. Its employees, having lost all sense of efficiency, initiative and ambition, become slack and remiss in their work. Such an enterprise also tends to increase its personnel at an excessive rate, which makes for higher operating costs.

Mr. Speaker, if the Quebec hydro should take over all the power companies in Quebec and the management of all their personnels, we would then see the greatest network of patronage ever set up in America. At present, senior officials of the Quebec hydro are chief organizers of the provincial Liberal party.

Mr. Speaker: Order. I should like to call the hon. member's attention to the observations I made a while ago, although he was then discussing an agreement between the federal government and the provincial governments concerning the imposition of taxes. I think we should not discuss in this house the pros or cons of the nationalization of electric power in any province.

Mr. Bourbonnais: Mr. Speaker, I come back to the subject matter, but I must draw a comparison or point out the facts about a certain empire being built up in Canada, and particularly in the province of Quebec. I should also like to tell the house that if nationalization took place, the Quebec hydro, after the C.B.C., would become the empire, the den of the Liberal party, to spread out the leftist or socialistic Liberal propaganda at the expense of the state.

The empire of the Liberal party would then cover the bungling press as well as the state radio and T.V. to reach finally every Quebec home with an electric shock. Then, a man such as Rene Levesque would only have to become leader of the Liberal party and, inspired by his idol Senor Castro, he could invite him in and hold wide open the doors of the province of Quebec to communist infiltration.

Under the pretext of giving back to the French Canadians the control of natural resources which are rightly theirs, Quebec Liberals will in fact succeed only in stirring up against us all the interests which control over 80 per cent of our industries.

Mr. Speaker: Order. I hope the hon. member will not persist in that course.

Mr. Bourbonnais: Mr. Speaker, I submit that this matter is absolutely consistent with the spirit which must govern us in this house since we are here to promote national unity and to avoid any shock which could split the ethnic groups composing our nation, in the face of the serious dangers which exist in the province of Quebec at this time. I wish to warn my fellow citizens against this group which is trying to make one section of our people rise against another, and particularly against some separatists or leftists who endeavour to set the Canadians of one group against those of another, and who have only one political purpose in mind, that of being the party in office at any cost.

I wish to denounce such an attitude and such people, and I shall keep on reminding the house that the best interests of all Canadians resides not in being divided but in being united. We have to find a solution to very serious problems, and it is not in trading upon the feelings of a minority that we shall manage to establish that unity we must reach in Canada if we are going to keep prosperity in our country—

Mr. Rouleau: Conservative prosperity.

Mr. Bourbonnais: —and also to maintain our standard of living, which is the second highest in the world.

Mr. Denis: Do not talk against the other parties, then.

Mr. Bourbonnais: Mr. Speaker, what the province of Quebec needs to help the French Canadians recapture the place they long for in the Quebec economy, are men who will be able to lead them and to give them the means to become leaders themselves; it needs an improved education system, more professional and technical schools, of which the federal government pays 75 per cent of the construction costs, more schools of higher learning. The misconception that leads us to believe that we are the slaves of a superior race must disappear.

Our elite, our leaders will have to convince the French Canadians that success can be reached only through hard work and sustained efforts, rather than make them believe that the government is the only spring-board at their disposal to succeed, and also to remind them that they will have to be qualified enough so that the government will need them, and not the other way around. It is not by coveting another man's wealth that one gets rich, but in improving one's knowledge and working as hard as the other man.

Mr. Speaker, when the politicians, especially those in the Liberal party, stop lying to the people of Quebec and promising them the moon to get votes, when they stop laughing at the French Canadians and setting them against each other in order to come back to power at any price, in order to secure greater benefits from it at our expense, when they become more objective and stop fomenting hatred and, consequently, revenge, the French Canadians, instead of squabbling among themselves about matters of little importance, will stop taking opposite sides in matters of municipal or parochial importance, in sports, and even in business and industry. When the Liberals cease to divide French Canadians, we will stop wasting our time and we will direct our effort towards the improvement of our own business, without trying to blame anyone else for our failure.

What was granted to the Quebec French Canadians in the past five years of Conservative government compares most favourably with what was done over the 22 years of Liberal dictatorship in the Canadian parliament.

An hon. Member: Tell us about the austerity program.

Mr. Bourbonnais: When I see cartoonists and reporters with a conscience about as straight as a corkscrew, mock the Prime Minister (Mr. Diefenbaker), I have pity on those would-be leaders of French Canada.

Mr. Rouleau: What do you think of Mr. Clement Brown?

Mr. Bourbonnais: The exaggerations and distortions of certain newspapers in the pay of the Liberal party, which are directed against the Conservative government and its leader, show the lack of judgment of their authors and the weakness of their arguments.

Those newspapers render a great disservice to the people of French Canada by distorting the facts and the truth.

Does not Canada enjoy the second highest standard of living in the world? The number

of employed Canadians is constantly increasing, and the social benefits for the aged, the handicapped and the veterans have increased considerably under the Conservative government.

The average worker's salary has increased, the amounts paid to Canadian farmers, in the west as well as in the east, have more than doubled under the Conservative regime, and there has been no increase in federal taxes. On the contrary, some of those taxes were reduced by the Conservative administration.

That is, Mr. Speaker, what the Canadian people should be told and it is the beginning of the work done by a great Canadian, which all those people with small minds who take shelter in certain newspapers of Canada should recognize.

Instead of rousing the population against one of the greatest prime ministers Canada ever had since confederation, those people of small account with perverted minds should rather respect and imitate our Prime Minister who is trying so desperately to improve the fate of all Canadians.

Mr. Speaker, last Friday, we heard the member for Laurier (Mr. Chevrier) batter down the Social Crediters' thesis and attack violently the provincial leader of that party.

I do not intend to defend their theories, but only—

Some hon. Members: Oh, oh.

Mr. Bourbonnais: Mr. Speaker, listen to the hon. members opposite laughing; they remind me of braying donkeys.

As I say, I hold no brief for the Social Credit philosophy, but I will try to throw some light on a real phenomenon: the election of 26 Quebec Social Credit members to this house. Similar causes led me to enter politics. Being the scion of a Liberal family, raised in a Liberal atmosphere, I was so disgusted by the lies and demagogic doings of the Liberal leaders I knew that I chose to join the Conservative party whose doctrine, in my opinion, was the closest to the Liberal philosophy, but whose leaders showed much more dedication to the people and interests of Canada.

Mr. Speaker, when the Liberals were in office in Ottawa, and more particularly in Quebec, they never stopped exploiting the people's credulity and making the less prosperous people believe that the government could change their fate and settle them in the garden of Eden. During that time they encouraged the development of financial and industrial trusts, they nominated their friends to all the high positions in the federal government and in a great number of private companies. To stay in office, they resorted to all conceivable means, the most efficient of which were demagogy and promises.

In 1958, the Canadian people rejected them as a whole. And when the member for Laurier refers to the Social Credit group as being isolated at the far corner of the house, it comes to my mind that during the last parliament, the Liberals were not only isolated but wedged in, as in a nut-cracker, between the N.D.P. and the Conservative block. In 1960, another storm of demagogy, abuses and promises swept over the province of Quebec. When the Liberal thunder stopped and the voters realized that they had been submitted to another brainwashing, in addition to a four year Liberal campaign on the radio, on television and in various newspapers, against the Conservatives and their leader, the right hon. Prime Minister, a great number of people in Quebec lost faith in the traditional parties and thought they had nothing to lose by voting Social Credit. If there are now 26 Social Credit members in the house, it is those Liberal gentlemen's doing, and if they go on in the same way there will be 60 after the next election.

Mr. Speaker, I hope that those surviving among the 75 drips mentioned in his paper *Le Devoir*, by Andre Laurendeau, when speaking of the 75 Liberal candidates in the province of Quebec during the last election, will benefit from that lesson and will not follow in the steps of their leader, the number one demagogue of Canadian politics, the Picasso of politics.

Instead of wasting their time in looking for a bogey and trying to belittle personalities, I would advise them to read a booklet dealing with Frank Buchman's comments on Moral Re-Armament: they certainly would learn some very profitable lessons in doing so.

Mr. Speaker, I said a moment ago that I had no intention of defending Social Credit. I must tell you that I do not share their views in the monetary field. Yet, those people have come here with a far greater sincerity than all our friends in the Liberal opposition. They came here to stand up for what they saw at home, to defend the small people who have been abandoned, flouted, and to whom the Liberals had been telling lies for much too long a time. And those people are criticizing and making fun of Social Credit members, which affects their voters. I myself am affected by such an attitude—

Mr. Boulanger: Mr. Speaker, on a point of order. I never heard anybody on this side of the house ridicule any hon. member. This goes to show—

Mr. Speaker: Order.

Mr. Boulanger: —that the hon. member tries to convince the people that we are making fools of certain members in the house while, in fact, he is trying to make them look as martyrs so as to keep them on their side.

Mr. Speaker: Order. Under the circumstances, I suppose a member has the right to say that a certain group has certain attitudes but he cannot ridicule anyone in particular. Anyone who has closely followed the speeches made from both sides of the house has heard criticism of the policies put forward by various members but no one has ridiculed the character of a member of the house. Consequently, I would say that there have been no personalities up to now.

Mr. Boulanger: Mr. Speaker, my point of order is that hon. members opposite cannot accuse us of turning into ridicule any member of the house, be it the Social Credit members or any others.

Mr. Speaker: Order. I very much regret, but I fail to see any point of order in what the hon. member is submitting.

Mr. Bourbonnais: Mr. Speaker, if the hon. member representing a Montreal riding, which I do not know, says that he does not jeer at Social Credit, good for him. They have sufficiently upset and ridiculed the Quebec people during 22 years, and again during the last two years, they need not come in this house and try to apologize.

Mr. Boulanger: I am not indulging in personalities as far as the hon. member opposite is concerned, but I raised a point of order in order to prevent Social Credit members from setting themselves up as martyrs, by repeating the statements of the hon. member.

(Text):

Hon. Donald M. Fleming (Minister of Justice): Mr. Speaker, this intervention on my part in this debate may be attributed to the form of the amendment introduced on October 5 by the hon. member for Inverness-Richmond (Mr. MacEachen) on behalf of the official opposition. This latest contribution to the official opposition's war of attrition on stable government appears in this form:

> That the following be added to the address:
>
> "We respectfully submit to Your Excellency that the failure of Your Excellency's advisers to place before this house at the earliest opportunity a measure to approve the collection of taxes which have been imposed by order in council, as part of the austerity program, denies to this house the exclusive constitutional right to approve the imposition of additional taxation which is the foundation of our system of responsible government."

The hon. member has chosen, Mr. Speaker, to refer to a program that does not exist. There is no austerity program, but let us not take time on that. Evidently he has chosen to use wrong terms. He seems to be directing his attack against two elements in the exchange program that the government introduced in June. These two elements are the import surcharges and the reduction made in the exemption on tourist purchases. I propose, Mr. Speaker, to deal with this subject in relation to the legal and constitutional questions that are raised.

In relation to these two elements in the government's program may I speak first of all of the legal aspects. My first point is that we have proceeded on the advice of the law officers of the crown in the proper manner, and the advice we have is that the measures which were introduced by orders in council in June, which took effect one minute after midnight on June 25, are proper and legal; that the government had full power to proceed to pass those orders in council, and that those powers so exercised were conferred upon the governor in council by parliament. There can be no question about the validity of those orders in council.

As to the import surcharges—

Mr. Martin (Essex East): May I ask the minister a question?

Mr. Fleming (Eglinton): Will the hon. member please wait until I finish my speech? Then if there is time I shall be glad to answer his question. The import surcharges were created by the use of powers drawn from two statutes, the first the Customs Tariff and the second the Financial Administration Act. As to the provisions in the orders dealing with the reduction in the exemption on tourist purchases, the authority for that action is contained in the Export and Import Permits Act and the Bretton Woods Agreement Act. Those are statutes of parliament. No one can question the propriety of those statutes, and those statutes have conferred upon the governor in council the very powers that were exercised by the governor in council in June when the program to meet the exchange emergency was announced.

Therefore, Mr. Speaker, on this subject of the validity and legality of these orders in council, let me say that the government has proceeded on the highest advice, and

that the legality of these orders is not questioned unless hon. members choose to question the opinion of the deputy attorney general of Canada.

May I remind hon. members, Mr. Speaker, that when this program was announced no issue was raised by any member of the opposition, the Leader of the Opposition or anyone, as to the legality and validity of these orders in council.

Mr. Martin (Essex East): There was an objection.

Mr. Fleming (Eglinton): Not a question was raised.

Mr. Martin (Essex East): An objection was raised.

Mr. Fleming (Eglinton): There was not a question raised as to the validity or legality of those orders.

Mr. Martin (Essex East): It was raised in the Cornwall by-election.

Mr. Fleming (Eglinton): It was not raised.

Mr. Speaker: Order. I think we can agree that one hon. member has the floor.

Mr. Martin (Essex East): Agreed.

Mr. Speaker: And that we cannot continue to have orderly debate in this house if hon. members pop up in their seats from time to time to make gratuitous remarks or interventions. Might I also further indicate—

Mr. Martin (Essex East): This is a new rule.

Mr. Speaker:—that requests for permission to ask a question should be directed through the Chair. There is a tendency to set up a two way communication system which bypasses the Chair, and I do not think that is in keeping with the spirit of the rules of the house.

Mr. Fleming (Eglinton): I proceed now, Mr. Speaker, to the other question that has been raised, what one might call a constitutional question, as to whether the governor in council has somehow or other imposed taxation here. It is an accepted rule, which no one questions, that taxation can only be imposed by act of parliament. That question was settled early in the seventeenth century. I remind hon. members that in 1628, and again in the bill of rights, the rule was then declared at Westminster, and has been observed since, or should have been, until the time when hon. members opposite were forming the government—and I shall have something to say about what happened in 1947—that no man should be compelled to make any gift, loan, or pay tax without consent by act of parliament. Therefore there is no question about the principle.

Had parliament not chosen to confer on the governor in council the powers that were exercised in June there would certainly be no right to impose import surcharges or to reduce the exemptions accorded to returning tourists. Those measures depend for their validity upon these enactments of parliament. I have referred to these enactments, and the authority is clear. Therefore there is no constitutional issue raised here, none whatever.

Parliament does not always proceed to impose taxation in a direct manner. There are various examples one could point to in the enactments of parliament where the taxation is not directly imposed or the rate directly established. I take time to mention only several of these. Section 4 of the Customs Tariff authorizes the withdrawal by the governor in council of tariff benefits, resulting in increased tariffs. Section 7 of the Customs Tariff authorizes the governor in council to impose a surcharge in certain cases. The Electricity and Fluid Exportation Act, which was on the statute books of this country for many years, authorized the governor in council to make regulations imposing export duties on power exported from Canada, and this authority was continued by section 4 of the Exportation of Power and Fluids Importation Act which was passed in this parliament in 1955. Perhaps hon. members will remember that year when a tax was, in fact, imposed by the governor in council under the authority of that provision, and this tax was made statutory by section 8 of the Excise Tax Act amendments which I had the privilege to introduce in 1959. The Export Act authorizes the governor in council to declare an export duty chargeable upon logs and pulpwood exported from Canada, and also authorizes the governor in council to impose export duties on certain ores and metals.

Therefore let it not be forgotten that when parliament imposes taxation it does not in all cases do so in direct terms. These are examples where parliament has given power to the governor in council to proceed with the imposition of taxation and the variation of taxation. There is nothing extraordinary about the legislation which parliament passed, or about the powers which were conferred by these parliamentary enactments on the governor in council, and which were exercised in June last.

Mr. Knowles: Mr. Speaker, would the minister permit a question?

Mr. Fleming (Eglinton): I am sorry. I had to refuse a question already because I am not sure I have adequate time. If there is I will answer the question.

I come now to deal with the course we followed. It was a correct and lawful course. Here were powers that parliament had created. We exercised those powers, and we kept completely within the authority conferred upon us by parliament. Therefore, Mr. Speaker, there can be no question as to the constitutionality of this course. If anybody questions it he has the right to go to the courts, but there cannot be any such question raised in parliament. My submission as to the constitutionality of the course that was followed is that parliament had created powers for this purpose, and we kept within those powers. I shall have something to say about the question of confidence before I conclude my remarks. That is another matter.

Now, by way of emphasizing the course we have taken in 1962, I wish to compare it with the course that was followed by the Liberal government in 1947; because there have been some erroneous and misleading references during this debate to what happened in 1947.

Let us look at what happened in that year. First let me observe that there were three elements in the program introduced by orders in council of the government in 1947 to meet the foreign exchange emergency of that time. First, by order in council they reduced the tourist exemptions. Second, by order in council they prohibited the importation of certain goods; and third, they imposed special excise taxes on certain goods.

Those were the three elements in their program. As to the first of these elements, the reduction of the tourist exemptions, there was undoubtedly authority to do this under the Foreign Exchange Control Act of 1946, which was still in force. I will have occasion to refer to that act further, and also to an undertaking that was given to the house when that legislation was under debate prior to its enactment.

As to the second element, the prohibition that was imposed by order in council on the import of certain goods, this was an order in council passed on November 12, 1947 which was not made public until November 17, 1947. Under its powers prohibition was imposed upon the entry of certain goods into Canada.

The minister of finance of that day, both in his famous radio speech on the evening of November 17, 1947 and later in his speech in the House of Commons on December 16, 1947, said that the government had obtained legal opinion to the effect that the government had power under the statute I have mentioned, namely the Foreign Exchange Control Act, to pass this order in council. Mr. Speaker, we have made diligent search of the records in the Department of Justice, and we have not been able to find any such opinion. I can only conclude, then, that it was an opinion given orally to the minister of justice at that time by the law officers of the crown. But in this regard I do draw attention to a factor of very considerable importance in relation to the use by the government of the powers that they claimed to possess under the Foreign Exchange Control Act of 1946. When that measure, as I have said, was under debate in this house Mr. Ilsley, then minister of finance, gave the house this assurance. It is to be found at page 2547 of *Hansard* of 1946:

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

In passing the order in council the government of that day just tore to shreds and ribbons that solemn undertaking that it had given to parliament in 1946 when it asked parliament to pass the Foreign Exchange Control Act and confer very wide powers upon the governor in council. So whether there was a legal question or not, a very important question with regard to keeping good faith with parliament certainly was involved in that order in council which gave effect to the second element in the program of the government of that time, in relation to the prohibition of the import of certain goods.

The third element in that program, Mr. Speaker, was the imposition of special excise taxes as from midnight on that night of November 17, following the radio speech delivered by the minister of finance that evening. Those taxes then imposed were without a shred of legal justification; they were illegal.

Mr. Martin (Essex East): That is what you say.

Mr. Fleming (Eglinton): It is not simply a question of there being doubts about their legality; they were clearly illegal. Those taxes were collected for weeks and weeks and months before parliament ever validated them by retroactive legislation.

Mr. Pickersgill: Was it ever challenged in the courts?

Mr. Fleming (Eglinton): This is a fine example, Mr. Speaker, of what hon. members opposite did, when they make the fictitious claim to be champions of parliament—

Mr. Martin (Essex East): That is what you claimed a few moments ago.

Mr. Fleming (Eglinton): —the imposition of taxes by a budget delivered over the radio, when parliament was not even in session.

Some hon. Members: Shame.

Mr. Fleming (Eglinton): A shocking derogation from the authority of parliament. A shocking resort to an utterly illegal course. Those were the three elements in the program of the government in 1947. There were very good reasons why they had to bring measures to parliament. With respect to the second element in the program, the prohibition on the import of certain goods, they had to come to parliament and ask parliament to forgive a breach of faith, even if they can have the benefit of the doubt in relation to the question as to the validity of their order in council in that respect. Then as to the third element in their program, the imposition of taxes, they had to ask parliament to validate something that was completely and utterly illegal. That is why they had to come to parliament and ask for enactments at the following session.

An hon. Member: You are really in trouble, aren't you?

Mr. Fleming (Eglinton): I did not hear that remark, Mr. Speaker, but I have respect for parliament; I always have. I hope hon. members opposite will—

An hon. Member: What about the flower?

Mr. Fleming (Eglinton): Yes, under all conditions I have the highest respect for the traditions of parliament, even when hon. members opposite were seeking to degrade those traditions.

Let us examine a little further the record of the government in 1947. Did they come rushing to parliament and say, "In one case we broke faith with you, and in the other case we have arrogated to ourselves powers that we do not possess; we have taken an illegal course. Now please forgive one and validate the other". This happened on November 17. Parliament met on December 5. When do you suppose, Mr. Speaker, they got around to this subject? They went on to other business. It was not delayed by debate on the throne speech. They took only a day on the throne speech. The government had all kinds of other measures to put before parliament, so they did not bring this measure forward then.

Mr. Pickersgill: At the request of the opposition.

Mr. Fleming (Eglinton): It was not at the request of the opposition.

Mr. Pickersgill: I have the *Hansard* right here.

[Mr. Martin (Essex East).]

Mr. Fleming (Eglinton): And so have I. Mr. King was putting forward measures he said were going to run out. There was the transitional measures act and powers relating to agriculture. So the minister of finance got around to moving second reading of the first of these measures, that respecting foreign exchange conservation, on December 16. There was a two day debate and the debate was adjourned. They were in no rush about this. Then there was a recess over Christmas and New Year's. Debate was resumed on January 26, and as a matter of fact this legislation was not passed until months afterward. The Foreign Exchange Conservation Act received royal assent on March 24, 1948. It came into effect on April 22, 1948.

Then there was the act to amend the Excise Tax Act. It received royal assent on March 24, 1948. My word, weren't they in a hurry to put this before parliament and ask parliament on the one hand to forgive their breach of faith, and on the other hand to validate acts on their part that were completely illegal?

Som hon. Members: Shame.

Mr. Bell (St. John-Albert): Where was Bonavista then?

Mr. Fleming (Eglinton): He was behind the scenes pulling the strings, I expect. When this measure was placed before parliament, and I am referring now to the measure respecting foreign exchange conservation, the measure under which the government asked parliament to validate—let me make this clear; asked parliament not merely to give them authority to do the sort of thing they had been doing under that order in council of November 12, 1947 but, if you please, to validate everything that had been done under that order in council. They must have had some very uneasy consciences, Mr. Speaker. Section 14 of that bill—

Mr. Pickersgill: No; respect for parliament.

Mr. Fleming (Eglinton): —provided not only for the powers in this respect but for the validation of what had been done under that order in council passed on November 12, 1947. Uneasy consciences, yes; but, Mr. Speaker, when they brought this measure forward they were still saying "We had the legal power to do what we did". Then we confronted them with this dilemma; "All right, if you had the legal power and you still assert that you had the legal power, why are you bringing this legislation forward? It is superfluous".

Mr. Martin (Essex East): Correct constitutional practice.

Mr. Fleming (Eglinton): No, this is not a question of constitutional practice. The hon. member for Essex East is wrong, as usual.

Mr. Martin (Essex East): Correct constitutional practice.

Mr. Fleming (Eglinton): Here is the dilemma with which we confronted the government that day. I am reading from page 393 of *Hansard* of December 17, 1947:

If this legislation is valid—

Mr. Pickersgill: What are you quoting?

Mr. Fleming (Eglinton): I continue:

—there was no occasion to bring the bill here; there was no occasion to bring parliament together to discuss this measure, and therefore the bill we are discussing is entirely unnecessary.

If the government—

Mr. Pickersgill: On a point of order, the hon. gentleman has not told us who he is quoting.

Mr. Fleming (Eglinton): The hon. member for Eglinton; and you would have done well to have paid some attention in those days to him.

Mr. Martin (Essex East): Why discredit your own witness?

Mr. Fleming (Eglinton): Therefore this dilemma was presented squarely to the government, and squarely to the hon. member for Essex East, who was a member in those days of that despotic government which ran away from that dilemma.

So we have this position, that if the legislation were valid there would be no need to ask parliament to validate what is already valid, none whatever. The constitutional question in such situations arises in this form. Has the government which has exercised powers conferred upon it by parliament done so in circumstances or in a manner which still retains for that government the confidence of parliament? The constitutional issue is not validity of the order; the question is whether the government which has so exercised powers conferred upon it by parliament retains the confidence of the House of Commons. That is the constitutional issue; that is the issue which we welcome, Mr. Speaker, and that is the issue we are happy to face.

But let there be no mistake, Mr. Speaker, about what is respect for parliament, what is respect for parliamentary enactments, and what is respect for parliamentary practice in this regard. I draw attention as clearly as I can to the differences between the course followed by the government of 1947 and the course followed by the government of 1962. In 1962 we confined the measures which we took entirely within the scope of powers conferred upon us by parliament. There has been no excess on the part of the government of those powers clearly conferred upon it by parliament. Mr. Speaker, in 1947 the government of that day proceeded in a manner that was unconstitutional, because they broke faith with themselves; they broke faith with the parliament, and completely reversed a solemn undertaking given to the House of Commons the year before, and they used that legislation for purposes that in 1946 they said they would never use it for.

Then the third element in their program in 1947 was to take courses which were completely illegal. They tried to defend those illegal courses by saying "Oh, well, we have simply followed the budget practice, because when the minister of finance introduces his budget in the House of Commons with respect to changes in commodity taxes or tariffs, he always says that these will become effective at midnight that night." Then when the bill is introduced later, whether it be the Income Tax, the Excise Tax Act, the Customs Tariff Act, or whatever it might be, in such situations parliament is asked to make the legislation effective from budget night. But though that is a parliamentary practice that applies to announcements in the budget speech made here in parliament, it does not apply to what is announced over the radio by a Liberal minister of finance. Therefore, Mr. Speaker, the difference between the course followed in 1947 and the course followed by the government in 1962 is the difference between night and day. It is the difference between the illegality and unconstitutionality of 1947 and clear legality in 1962.

Mr. Speaker, I cannot close this intervention in this debate without comment, with deep regret, on an observation that fell from the lips of the hon. member for Winnipeg North Centre (Mr. Knowles) when speaking in this house on October 4. The hon. member has always claimed to have respect for parliament and for the officials of government. Mr. Speaker, he allowed himself to say, as reported at pages 209 and 210 of *Hansard* last week, some things which are a very clear and regrettable reflection upon a very senior and respected law officer of the crown. He was speaking about the order in council, and at the top of page 210 he is reported to have said:

We have been told in this house that this was done by order in council based on legislative authority and that legal opinion was obtained that the government had power to do this. This legal opinion was obtained from the Department of Justice. We all know what the Department of Justice is doing when it gives a legal opinion.

The Department of Justice is under the government, and too often it gives the government the opinion it wants.

Mr. Speaker, I think that is a shameful reflection upon the deputy attorney general of Canada. I deplore with all my heart that any hon. member of this house would stoop so low as to make a reflection of that kind. Let it be realized by all hon. members that unless you ask a law officer for his opinion in a completely untrammelled way, his opinion is not worth anything to the government which asks for it. There has not been at any time, Mr. Speaker, any attempt to tell law officers of the crown what opinion the government wanted from them; and believe me, Mr. Speaker, as long as I have the honour to be Minister of Justice, never will any law officer of the crown be asked to frame or change or colour his opinion to suit the convenience of the government. When I ask law officers for an opinion, Mr. Speaker, whether it be a legal opinion or anything else, I want their honest opinion. That is the way in which those officers have been treated. Their opinion has been treated with respect, there has at no time been interference with their opinion, and there will be none.

Mr. Speaker, I cannot close these remarks today without expressing the deepest regret that the high regard in which the deputy attorney general of Canada deserves to be held by all hon. members of this house should have been qualified, should have been besmirched, in the way it was by the hon. member for Winnipeg North Centre.

Mr. Speaker, here is our position in a word.

Mr. Speaker: Order.

Mr. Fleming (Eglinton): In taking our course we have acted in a legal manner and in a constitutional manner and on the best advice.

Mr. Speaker: Order. The hon. member for Queens-Lunenburg.

Mr. Martin (Essex East): Mr. Speaker, the Minister of Justice said that he would answer questions at the end of his speech, and I am now rising to put a question.

Mr. Speaker: I was on my feet as the minister was finishing to advise him that his time had expired.

Mr. Orlikow: Convenient.

Mr. Speaker: I would say to the hon. member who made that remark that I trust there is no reflection upon Mr. Speaker, that he stood up deliberately.

Some hon. Members: Oh, oh.

Mr. Speaker: While Mr. Speaker is addressing the house—this has nothing to do with me personally—I wish hon. members who have anything to say would stand at their seats and say it. The minister's time having expired, he may answer questions provided the house unanimously gives him approval to extend his time.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The hon. member for Queens-Lunenburg.

Mr. L. R. Crouse (Queens-Lunenburg): Mr. Speaker, it is with pleasure that I rise to participate in the throne speech debate. My first words will be to congratulate the mover and seconder of the address in reply, the hon. member for Waterloo South and the hon. member for Nicolet-Yamaska. They have set a standard which all of us would like to emulate, and they are a credit to their constituencies.

I should also like at this time to congratulate you, sir, on your elevation to the highest office we have to offer in this house, that of Mr. Speaker. It is a position that I know you will fill with dignity and with fairness to all hon. members in every part of the house. I should like to congratulate Mr. Deputy Speaker and the newly elected ministers and newly elected parliamentary secretaries, who I am sure will give a good account of themselves when carrying out their new duties.

As I look at the many new faces in this house I believe it is only fitting that I take this opportunity to thank the voters of Queens-Lunenburg who honoured me by re-electing me to the House of Commons. Since the opening of the 25th parliament I have listened to the speech made by our Prime Minister, as well as to the speeches made by the Leader of the Opposition, the leader of the Social Credit party and his deputy, and the acting leader of the C.C.F.-N.D.P. party. In my opinion our Prime Minister and his cabinet deserve the praise of all Canadians for the monumental, well planned program enunciated in the speech from the throne. I also believe that our Prime Minister in his remarks gave an outstanding résumé of industrial growth and development taking place in Canada that is bound to instil confidence throughout this entire nation.

Unfortunately I cannot say the same for the remarks of the Leader of the Opposition or of the leaders of the other two parties in this house. As I listened to the Leader of the Opposition outline his program I could not help but realize that here is the leader of a party completely devoid of a sense of responsibility to the Canadian people. His program would indicate that Canadian Liberalism has

taken a mighty swing to the left with an impact that has left old line Liberals clinging to the rigging.

An hon. Member: Let us have an election.

Mr. Crouse: The Liberal ship of state is running into heavy weather, and the new boys on deck will soon wish they had the old compass by which to steer rather than the new chart which I believe has been prepared by the hon. member for Davenport and more lately by the hon. member for Assiniboia, which charts none of them can read and few of them can understand. These new planks will force even the C.C.F. or N.D.P., whatever they choose to call themselves, to seek out more distant horizons of socialism. It was Sir Wilfrid Laurier who, more than 80 years ago, when defining a Liberal stated as follows:

> His cravings will always extend far wider than his resources, his actions will never reach the level of his concepts. His completed task is always ready to be done over.

Even Sir Wilfrid would look in wonderment at the proposals of the present Liberal leader, for the big question which must now be asked is whether this nation can at this time stand the extra bill that would come with these new ventures in the realm of state welfarism, state paternalism, or state socialism as enunciated by the Liberal party. It is estimated that these proposals would cost an additional $1 billion or more annually if implemented; and it must be remembered that it is the Canadian taxpayer who must pay this bill and not promising politicians who sit in this House of Commons.

The impact of the socialist from Assiniboia is quite evident. I wonder how long it will be before he will be taking over the leadership of the Liberal party. What did we hear before the election? The Liberals in my constituency were critical of our deficit budgeting. They said we spent too much money on Canadians, that we were going too far too fast.

Mr. Byrne: You are going in the wrong direction.

Mr. Crouse: I will get around to you after you make your speech. What did we hear from the Leader of the Opposition? We heard plans for a program of massive spending, creating even greater deficits. Is this the opinion of the eminent business consultant, the hon. member for Davenport, or of Mr. Sharp, or of Mr. Lamontagne? Is this their assessment of the present state of the Canadian economy? Never in history has this country seen a fear campaign comparable with the one which was conducted during the recent election. My predecessor, a former Liberal cabinet minister, when he came to Nova Scotia, as he had nothing to lose, said to the people in Lunenburg that Canada is on the verge of bankruptcy and that it would be wrong to mislead the people into thinking a new government can easily balance the country's budget. We observed other types of fear campaigns conducted. When the hon. member who has just taken his seat went to speak in Newfoundland, what did we see on the front page of the Halifax *Chronicle-Herald*? We saw this headline: Smallwood gave order; Fleming cancels speech.

An hon. Member: It is a Liberal quotation.

Mr. Crouse: I did not interrupt the hon. member when he made his speech. I would ask him not to interrupt me. In speaking about the interference which the Prime Minister was obliged to undergo when he tried to conduct a meeting in Vancouver, the Leader of the Opposition said that Liberalism does not do that kind of thing, that it staunchly defends the right of any man to be heard. What arrogance that is, and what rot. Socialism under a Liberal banner or a C.C.F.-N.D.P. banner has never gained a strong following in Nova Scotia, and this is especially true among the thrifty, hard working citizens of Queens and Lunenburg counties. Neither will they be fooled by the Social Credit promise of no more debts, interest payments or taxes. We know any government can get along without debts or taxes. This can be done by simply printing the money; and we know what this action would do to our present financial system.

Mr. Speaker, as I contemplate the results of the recent election and look at the four parties in this house, I cannot help but feel concerned for Canada. While it is true that my party did not receive an over-all majority from the Canadian people, indicating over-all confidence in our program, it is equally true that the Canadian people placed less confidence in the program of the Liberal party, and that only small areas elected members of the Social Credit party or of the C.C.F.-N.D.P. party.

Some responsibility for this indecision of the Canadian voter must rest upon the shoulders of all parties, especially upon the shoulders of the two old line parties in this country. With a population of slightly more than 18 million people in Canada, in my opinion we cannot afford the luxury of more than two political parties. Canada has grown to its present state of importance and influence in world affairs under one or the other of the two old line parties which have controlled its destinies since 1867. We would not be faced with another election at the present time if there were only two parties

in Canada. Unless we return to the two party system I have grave doubts for the future of the democratic processes in Canada.

Some responsibility for this situation must also rest upon the Canadian voter. It would appear that some Canadians have lost the spirit, the will to achieve, the desire to accomplish that helped build this nation.

Mr. Berger: Why blame the people for your own shortcomings?

Mr. Crouse: When you have a chance to make a speech, we will listen to you. Rather than strive for independence, some people are willing to sacrifice their freedom for promised security, a form of security promised by government. What we need in Canada is a new sense of purpose, a genuine realization that we must work hard, and a realization that we can share only that which is first produced. We have been somewhat local in our thinking without realizing that the world is changing fast. New trading alliances among our friends threaten our traditional markets.

This fact was brought forcefully to my attention during the past few months, when I met with delegates from 17 commonwealth countries at a commonwealth parliamentary conference in London. We were there to discuss the future role of the commonwealth in the modern world. In my opinion, following this conference it was the intention of the United Kingdom to join the European common market as soon as convenient, if at all possible.

This attitude, of course, did not meet with the approval of any of the representatives of the other commonwealth countries. Our Prime Minister, when he recently attended the prime ministers' conference in London, took the same stand. I think it is his responsibility to make representations on behalf of Canadian industry, Canadian farmers, Canadian fishermen and Canadian labour. After all, this is one of the reasons prompting the United Kingdom to join the common market. She is attempting to gain greater economic benefits for her people. Would we expect our Prime Minister to do any less on behalf of Canadian citizens? However, a close study of the European common market indicates that this is a magnificent political achievement, and when you stand at the memorial at Verdun and realize that part of this transformation is the reconciliation of France and Germany, you then have a greater appreciation of the new spirit permeating Europe and of Britain's desire to become a part of this development.

Where does this leave us? We must be prepared, if Britain joins, for some loss of our privileged position in the United Kingdom market, but Britain will continue to need many of the things we now export to her and trade may be less drastically affected than we might suppose. In fact, with Britain entering the common market it is possible her industries may increase their imports of raw materials from Canada. On the other hand, we must not underestimate our sales prospects in a western Europe enjoying rising prosperity and high living standards. However, our progress in this direction will depend upon the initiative of each and every one of us. We will have to go after these markets with well designed products at competitive prices and with vigorous and imaginative salesmanship. Obviously, the more successful we are in holding down our costs and improving our productivity, the more successful we will be in increasing our exports. This also implies progressive and forward thinking on the part of management plus a spirit of cooperation among labour.

This is the challenge faced by all Canadians, management and labour combined, if we are to successfully meet the threat to Canadian jobs posed by intensified foreign competition. This is a problem that not only concerns the government but is the concern of every Canadian; and when we realize we can only improve our living standards not by leaning on the government but by working harder and in greater harmony together, we will then achieve a new sense of national purpose. We must endeavour as a nation to conquer our unemployment problems, and this can only be achieved by providing improved opportunities in our primary and secondary industries.

The speech from the throne offers many incentives that will help bring this about, and it is indicative of the careful thought given to these problems by the Prime Minister and his cabinet. There is not sufficient time for me to comment on all the proposals in the throne speech, but I should like to deal with a few that are important to my province and to my constituency of Queens-Lunenburg.

I note it is the intention of the government to take positive, constructive measures to strengthen Canada's balance of international payments. The recently stabilized exchange rate for the Canadian dollar has helped producers in all parts of Canada, both in the domestic and export markets, and is contributing as well to a large expansion in the Canadian tourist industry. This fact unfortunately became a political football in the recent election, with Liberal money being printed with caricatures of our Prime Minister and the then minister of finance on either side and showing a value of 92½ cents. This Liberal money, Mr. Speaker, was of no more

value to Canadians than the Liberal promises were during the 22 years they were in office, though it was indicative of the childish attitude of the Liberal party toward the Conservative administration. I am certain this juvenile Liberal paper money did not gain any supporters in Queens-Lunenburg, for the voters in my constituency remember only too well the depreciation in the purchasing power of the Canadian dollar under 22 years of Liberal rule.

Inflation ran rampant under the Liberal government; it kept statisticians busy altering the cost of living index until we realized that in 1956 it took $1 to buy what 50 cents would buy 20 years before. However, the stabilized exchange rate has been beneficial to our great and expanding fishing industry, our pulp and paper industry and our tourist industry. It is the tourist industry that offers still greater potential income for Nova Scotians, and as the industry expands it strengthens Canada's balance of payments.

One project that would be helpful to our tourist industry is a second ferry between Nova Scotia and Massachusetts. I am fully aware that such a link has not always been successful in the past. Services once provided between Yarmouth and Boston declined and were withdrawn. However, I believe these connections were casualties of changing times, and that a second ferry service today between Nova Scotia and the United States would be beneficial to both countries. The present service between Yarmouth and Bar Harbor has not been able to accommodate the demands of traffic, especially in the summer months. It is primarily a service to Canada, for it favours drivers from Ontario and Quebec. I find no fault with this, but travellers from Massachusetts find it necessary to stay somewhere overnight in order to proceed to Nova Scotia, and they may as well drive all the way to the maritimes.

I believe a daylight run from Nova Scotia to Gloucester would be a great convenience. It would eliminate the need for costly sleeping accommodation on board the ferry, and it would open up for us the potential tourist market in the greater Gloucester, Boston and New York area, where over 50 million people reside. In addition, the ferry would provide quicker delivery for the products of our expanding fresh fish industry, which are daily gaining in favour and enjoying increasing sales in the United States market. This link is essential to provide an increased flow of trade between these historic trading areas, and I hope the government will give favourable consideration to this proposal.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Crouse: When the house rose at one o'clock, Mr. Speaker, I was making a plea on behalf of the tourist industry in Nova Scotia. I should like now to make a plea on behalf of agriculture. The throne speech points out that the prosperity of agriculture remains essential to the well being of the entire Canadian economy, and the government recognizes that livestock is occupying a position of increasing importance in Canadian agriculture. It is proposed that a program be instituted to assure the availability of storage facilities and the continuity of supplies of feed grain, especially in areas of British Columbia and eastern Canada where supplies of feed grain are normally deficient. This is a program that I heartily endorse, for it will fill a long felt need in eastern Canada, especially in my riding.

In a previous speech I pointed out that approximately 50 per cent of the people in my constituency earn their living by working in primary industries such as agriculture, fishing and lumbering. In Lunenburg county, especially in the areas surrounding the town of Bridgewater, there are a large number of people entirely dependent upon agriculture for a living. This is true also in the Caledonia area of Queens county. In former years many people were engaged in mixed farming, but recently some farmers have become more selective and have specialized in the raising of hogs, cattle or poultry. I believe there is a greater awareness today of the fact that agriculture is no longer a method of earning supplementary income. Our Lunenburg and Queens county farmers are now looking at agriculture in its proper light, as an industry, a big industry, that can provide a way of life with peace of mind and material benefit unsurpassed by any other type of employment.

Gross farm income last year from all agricultural production in Nova Scotia exceeded $60 million. Nova Scotia has long been recognized as a grass country, a province in which grass grows probably as well as it does anywhere in the world. However, a trip through the province will show some neglected farms, with land standing idle, and this is indicative of the fact that we are wasteful of our resources. It is gratifying to note the throne speech indicates that the government recognizes the need for further training in agriculture, with present facilities under review. This is the heart of the problem, and is most commendable; for it is only through proper training that we can further develop the great potential of our land resources.

Agriculture today offers unlimited opportunity to Nova Scotians. We are a province

deficient in both hog and beef production. At present we consume over 100,000 carcasses of beef annually, while producing less than 70,000 head. We produce approximately 80,000 hogs annually while our requirements are in excess of 250,000, to say nothing of the sales potential in the adopted home of the hon. member for Bonavista-Twillingate or the new market that is opening up in our northern regions, areas opened up by the progressive policies of this Conservative government. There is no reason whatever, Mr. Speaker, why Nova Scotia and the counties of Queens and Lunenburg cannot maintain a much larger production of livestock such as beef and hogs than it does at the present time. We have many factors in our favour, and grass is not the least of these. The figures I have given indicate there is tremendous room for development, expansion and growth in these areas of production.

However, if we are to make the most of our opportunity and use our resources to the best advantage, we must be prepared to produce the pasture, the silage, the hay and other forage crops that a greatly expanded livestock enterprise both requires and demands. Assistance toward this end is now available under ARDA, and community pastures can be developed to provide grazing areas for livestock. However, one of the problems facing farmers in Queens and Lunenburg counties desirous of increasing hog production has been the high cost of feed grains. The new proposal to establish storage facilities for feed grains will go a long way toward alleviating this problem.

I suggest that the federal government give earnest consideration to establishing a feed grain depot at Bridgewater in Lunenburg county. Situated on the beautiful Lahave river, Bridgewater is the centre of a large shopping and agricultural area. It has adequate facilities for docking large ships, and cargoes of grain could be brought directly from the head of the lakes to Bridgewater for dispersal to the agricultural industry on the south shore of Nova Scotia. Facilities for grinding grain are already available at Bridgewater, and distribution could readily be made to New Germany, Chester and Lunenburg, as well as to all points in Lunenburg county and agricultural areas of north Queens and Caledonia.

I am pleased also to note that according to the throne speech amendments will be proposed to the Canada Shipping Act to preserve for Canadian vessels the coasting trade in the St. Lawrence and great lakes area. This, Mr. Speaker, is an endorsement of a proposal I made when speaking in this house on May 22, 1958, and will be welcome news for Canadian ship owners operating out of Lahave and Lunenburg as well as Queens county. It is gratifying, too, to note that funds will be requested to implement the shipbuilding program announced some months ago, and that plans will be made to establish an Atlantic development board. I hope this board will give earnest consideration to the problem of assisting in the establishment of another fish processing plant at Liverpool.

Since the announcement by the Conservative government of the shipbuilding assistance program a total of 15 new draggers over 86 feet in length have been approved for construction in Nova Scotia. At present nine of these draggers are under construction, and in addition assistance has been provided for 84 smaller fishing craft. Some of these new fishing boats could, I believe, operate out of a new fish plant if it were established in Liverpool.

This federal program has stimulated a spectacular boat and shipbuilding program which will result in the creation of more than 1,000 new jobs for fishermen and fish plant workers within the next two years. Despite this fact, what does the Leader of the Opposition say? He says that no progress is being made in Canada. Well, the nine Conservatives in this house from ridings in Nova Scotia somewhat refute that statement. We in Nova Scotia have certainly seen great changes in the last five years, with new development taking place in our province and with 14 new manufacturing industries established in the past year. In the report of the president of the Halifax board of trade we read this:

> Nova Scotia is entering a new era of prosperity, spurred on by stepped-up construction projects in nearly every section of the province.
>
> When we look at the projects and construction going on in every section of the province we believe there is sound basis for our view that this whole area is indeed on the brink of a boom.

It is a boom, Mr. Speaker, generated by Conservative policies not only in Nova Scotia but throughout the entire Dominion of Canada.

In conclusion, as we see our shipbuilding plants, some of them with orders booked ahead for one year and some for two years; when we see our people working; when we see our fishing industry and agricultural industry expanding, and when we see progress on every hand, then I know that the people in my riding and throughout Nova Scotia look to the future with confidence and optimism.

(Translation):

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Speaker, I should like first of all to join those who have spoken in praise

of yourself as well as of the Deputy Speaker of the house.

I also wish to associate myself with all those who have congratulated, and properly so, the mover (Mr. Chaplin) and the seconder (Mr. Vincent) of the address in reply to the speech from the throne.

Mr. Speaker, we are back in the House of Commons for the first session of the twenty fifth parliament of the Canadian nation. We notice, with a certain pride, that a change has occurred on this side of the house, since the end of the last session of the 24th parliament. We come back to this house with an increased representation from the Liberal party, which can rely on members ready for the task they will have to fulfil.

We also notice with pride that the Canadian people have indicated very clearly their lack of confidence in the Conservative Tory government headed by the present Prime Minister (Mr. Diefenbaker), since they have sent to this house more than twice the Liberal representation they had during the last parliament and they have a majority vote for the Liberals throughout the country, a vote which exceeds that of the Conservative party by a margin of 4,315 votes.

Mr. Speaker, we owe this increased popularity of the Liberal party to the personal popularity of the Leader of the Opposition (Mr. Pearson), who is recognized not only in Canada, but throughout the world, as one of the leading statesmen of our times.

We also owe this popularity to the Liberal platform which has succeeded in securing the attention of the people and in answering the hopes of the majority of Canadians which we are called upon to serve as members of this house.

Now, if we study the position of the Liberal party in Canada, we notice with pleasure that the result of a Gallup poll conducted throughout the country which was published last Saturday gave 47 per cent of the popular vote to the Liberals, 25 per cent to the Conservatives, and the remaining percentage to the other parties.

Is it surprising, Mr. Speaker, that with such a result, a new and weak party should shrink before the prospect of an election? Is it surprising that a party which claims to be a renovating force should unite with the old worn out Tory party to prevent a general election? What has the house witnessed lately? The unholy alliance of a new party with the Conservative party. What a marriage. The children which will come out of it will certainly not be strong.

An hon. Member: What nonsense.

Mr. Dupuis: If I had your brains, I would keep quiet. This is something to see, this alliance between the Social Crediters and the Conservatives. By voting with the Conservatives, the Social Crediters have shown to the people that they have confidence in the Tories which they fought during the last electoral campaign.

An hon. Member: That is not what was said.

Mr. Dupuis: Isn't it?

An hon. Member: No.

Mr. Dupuis: No? Listen to them, Mr. Speaker. They do not even know what a vote in this house means.

Well, tonight, our friends will have to vote once more. They will not support the non-confidence motion, based on a very sound and democratic principle, which consists in finding out whether a government has the right to impose austerity measures or to increase the tax rate, without previously consulting the House of Commons, the people's only voice, which is elected by the people and for the people.

They will have to vote tonight, Mr. Speaker, and I shall tell you that I much prefer belonging to the Liberal party to finding myself in the phony position in which our Social Credit friends have now been for much too long a time. Yet we heard them say that they are happy about their attitude.

You just have to read once more the statement of the member for Red Deer (Mr. Thompson), their number one leader—because they have a leader and a deputy leader—now, the number one leader the hon. member for Red Deer, claims in this House of Commons that more than 25 per cent of the population intimated through their votes that they had no longer any confidence in the old parties. He was not aware that by such a statement he was condemning himself, because if 25 per cent of the population indicated their lack of confidence in the old parties, the remaining 75 per cent indicated their lack of confidence in the new parties.

I think our hon. friends would gain something if they read the magnificent speech delivered by the hon. member for Laurier (Mr. Chevrier). I feel our Social Credit friends had better seek information on the role played by their party in Canada's history. I believe they should read the statistical data quoted by the hon. member for Laurier last week.

In the past there were many Social Credit members; nowadays, there are none left, except four in British Columbia. There are those newcomers from Quebec whose leader, I mean the deputy leader, stated that the Social Credit surge was a miracle. In their

stead, I would be suspicious of a surge. Mr. Speaker, I will quote Corneille, and I am sure my hon. friends the Social Crediters will not say that he was a Liberal. I invite them to meditate on this sentence. Here is what Corneille would think of that surge; if he were living nowadays, he would not say otherwise:

Le Cid by Corneille, Scene 3, Act IV:
The flow brought them in and the ebb took them back.

Such is the present situation of Social Credit in the province.

Besides, Mr. Speaker, have we ever seen so striking an example of the saying that extremes meet and opposites attract each other.

So, we see that marriage to which I referred a moment ago, and so we see that unbelievable party, directed on the one hand by the hon. member for Red Deer, who is supported by Mr. Manning, the premier of Alberta, and on the other hand by the Social Credit deputy leader (Mr. Caouette), who is supported, helped and seconded by the questionable premier of British Columbia.

Here is an example, Mr. Speaker, proving that the status of the deputy leader is not as good as our Quebec friends believe it to be.

According to the Canadian Press of August 25, 1962, Mr. Manning stated the following:

Whoever wishes to know the position of the Social Credit in all matters has but to interrogate the only person who is competent to speak on behalf of that party, that is, the national leader, Mr. Thompson. The ideas expressed by Mr. Caouette about Hitler and Mussolini are his personal ideas.

They are ashamed of Mr. Caouette in the west.

The premier of Alberta, a Social Crediter, takes the trouble of cautioning all Canadians, all Social Crediters, against the propaganda of the Social Credit deputy leader. Where is he heading to?

Mr. Speaker, on the other hand, the premier of British Columbia has no particular sympathy for the leader, the hon. member for Red Deer. As far as he is concerned, his man is the great Caouette. He describes him as the greatest French Canadian since Sir Georges-Etienne Cartier. What a joke.

Well, Mr. Speaker, I think it would be well to remind the present Social Credit leader—the western one, the real one—that the success of his party in Quebec is not miraculous. Everyone knows what happened in Quebec. While, in this house, a group of hard-working members were looking after the interests of Quebec constituencies, there were "door-to-door" people spreading the Social Credit doctrine; and while we were doing our duty here, those people were talking nonsense to the population. We did not know anything about it. We discovered that too late. But today we can tell them that we know their methods, that we shall fight them and hurl them back into the sea at the next election.

Mr. Speaker, they used television—

An hon. Member: They also used boats.

Mr. Dupuis: I believe that on the day of reckoning, the boat will be so overcrowded by defeated candidates that it will sink.

The deputy leader of the Social Credit party appeared on television. He stated, after he was elected, that that was his most powerful weapon. He spoke to each constituent, each week, through T.V. He knew full well that no member of this house had the time to see or hear him on television unfolding his tales as he did through that publicity medium. That is how he abused the good faith of the Quebec voters.

Thus, unopposed, he made, on television, statements which were utterly false, condemnable and amazing.

Today, fortunately, we have come back to the Canadian parliament. Now, instead of being able to make all kinds of statements, unknown to us, these men are before us and we shall call them to order each time they will lie to the people of the province of Quebec.

They tried to show in beautiful words, that a country managed by a Social Credit government would be heaven on earth.

An hon. Member: Who composed that, a bank manager?

Mr. Dupuis: We were told that all was well in the west under the Social Credit system; it was even stated that debts had been wiped out in British Columbia.

An hon. Member: That is true.

Mr. Dupuis: And it was even maintained that there was no more direct taxation in Alberta.

An hon. Member: That is correct.

Mr. Dupuis: What ignorance, Mr. Speaker. We shall give them figures. You are not in the backwoods any more, you are no more among people who have not the statistics.

I do not blame you for lying, and I shall never say that a Social Credit member is a liar, even if he should tell an untruth, because, according to the Christian dogma, to be a liar, you have to fulfil three conditions: You must have sufficient knowledge, fully realize what you are doing, and the matter in question must be grave.

They have such incomplete understanding of the facts that they come and tell us in this house, and repeat it too, that debts have been wiped out in British Columbia.

Well, Mr. Speaker, what do the figures tell us, the official statistics which are now available to members, and which they did not have before the election. That is what official statistics tell us.

In British Columbia, the debt per capita amounting to $738.88 is the highest in Canada. Mr. Speaker, in the province of Ontario, under an administration—

An hon. Member: On a point of order.

(Text):

Mr. Deputy Speaker: Order. The hon. member for Shefford is rising on a point of order.

(Translation):

Mr. Dupuis: I hope it is not a point of disorder.

Mr. Rondeau: Mr. Speaker, this morning our Liberal friends prevented a Conservative member from speaking on provincial matters, because they said it was not in order. These very matters are being dealt with now.

Mr. Dupuis: The Social Crediters even dared to tell us during the election campaign that there was no debt in British Columbia.

(Text):

Mr. Speaker: Order. The hon. member for St. Jean-Iberville-Napierville has the floor.

(Translation):

Mr. Dupuis: Well, Mr. Speaker, I can appreciate that our hon. friends feel pain when we point out their lies in this house, but their suffering is not over because, in the name of public honesty and out of respect for the men who make up the Canadian nation, it is our duty to set the facts in their true light, and we will do it.

In Ontario, a province headed by a Conservative government, the per capita debt amounts to $505.05. The debt in the province of Quebec, with $254.59, is the third lowest.

That should give food for thought to the member for Vaudreuil-Soulanges (Mr. Bourbonnais) who praises the Social Crediters in this house.

Mr. Speaker, not only did they lie about statistics, but they stated that there was no direct taxation in Alberta, while they should have known better. I do not say that they knew, for I know they did not, but I say they should have known that in the province of Alberta there was direct taxation, personal income tax, corporation tax and succession duties. If they were not cognizant of those facts, they know them now, they will no longer be able to repeat that on television. Now, the people will know that they are lying.

Mr. Speaker, reply has not yet been given to the statements made by the hon. member for Laurier (Mr. Chevrier) who, having quoted an extract from the book "Réal Caouette vous parle" added that they had even asserted that the present Leader of the Opposition (Mr. Pearson) was a member of the federal cabinet from 1939 to 1945. This is completely false, because the Leader of the Opposition was made a minister in 1948. When the Social Crediters made such a statement, they were lying to the voters in the province of Quebec.

During the election campaign, you asserted in the province of Quebec that the Liberal party had gotten Canada into debt—

An hon. Member: That is true.

Mr. Dupuis: —for $17 billion during the war. If you look at the statistics however, you will see that Canada's debt increased by only $8 billion during the war.

Third, you said at one time that the Bank of Canada could issue money, and at another time that this was done by chartered banks. You cannot even agree with one another, you are confused and lost, you do not know where you are going.

An hon. Member: Social Credit is hard to take.

Mr. Dupuis: Not at all. I am in a good mood and I only want to put your affairs in order.

Mr. Speaker, I hear the hon. member for Shefford (Mr. Rondeau). Now, there is a member who stands high for you. Listen for a while to the hon. member for Shefford—

An hon. Member: Not of the same standing as you.

Mr. Dupuis: Right after the general election, he held a press conference. He had become somebody. He expressed the hope that T.V. would come into this house to show the empty seats, to show members going out in the hall to get drunk and play cards.

And, after that, we are being told that one of the first points of the Social Credit doctrine is respect for the human person. Well, Social Credit no longer respects anything. I hope that it—

Mr. Rondeau: On a point of order. I should like to know where the hon. member held his press conference and if he could please provide me with the text.

An hon. Member: That is not a point of order.

Mr. Dupuis: If the member for Shefford cannot even remember what he said, let him get *La Presse* and I shall show him. The poor little boy. The poor little boy.

Mr. Speaker, I must say to the hon. member for Shefford (Mr. Rondeau) that when he comes and says in the province of Quebec that members of the House of Commons are getting intoxicated and are playing cards in the lobbies, when we hear on television that members are drunk because they are not in their seats, I ask the member for Shefford to look at the seat of his deputy leader, for that seat is the one which is the most often empty.

Mr. Gregoire: On a point of order. Mr. Speaker, if the seat of the member for Villeneuve (Mr. Caouette) is empty it is because the population—

(Text):

Mr. Deputy Speaker: Order. There is no point of order. The hon. member for St. Jean-Iberville-Napierville.

(Translation):

Mr. Dupuis: Speaking of publicity, I think it would be a good thing if our Conservative friends, who rely on the support of Social Crediters to remain in office, read this morning's *Globe and Mail.* I do not have the time to read the article but they should do so, as it might make them think. The article states that the hon. member for Bellechasse (Mr. Dumont) takes the same attitude as the fascists did when they decided to abolish human freedom. That should give them something to think about. Obviously, the Conservatives are mad at their leader for degrading their party by joining forces with people like the present Social Credit members.

Mr. Speaker, we proudly remind the house of the Social Credit members' predecessors.

I should like to recall the memory of Mr. Boivin, a member who always did his job with dignity. There is also Mr. Bourget, a great citizen who, for 22 years was a credit to the house, to his constituents and to all Canadians. Mr. Augustin Brassard, the former member for Lapointe, was a first rate and very active member who will return to parliament at the next election; Mr. Jean-Paul Racine, a young man who was active, dedicated, progressive and able to work for his own people; Mr. Roberge, the former vigilant member for Megantic, and Mr. Samuel Boulanger. Those are all worthy men who were replaced by loud-mouths who do not even know what they are doing or saying.

Mr. Speaker, in referring to the respect due to the human being, I wish to remind the house of what the Social Credit leader said in his maiden speech. He stooped to say that when he heard the Prime Minister (Mr. Diefenbaker) and the Leader of the Opposition, the whole proceeding reminded him of a television program from Havana.

An hon. Member: That is true.

Mr. Dupuis: Mr. Speaker, it does not behoove a party leader, especially in his maiden speech before the nation, to speak nonsense, even though he is the leader of the Social Credit party. I hope that after hearing his deputy leader, he was reminded of the golden era of the Italian government under the Benito Mussolini administration.

Mr. Speaker, I have little time left, but I have enough to keep speaking of my friends.

An hon. Member: Keep on, we like it.

Mr. Dupuis: They lied to the people during the last election campaign, they lied on television and they are keeping it up. Last week, the deputy leader of the Social Credit party appeared on T.V. with the president of the Canadian Labour Congress.

An hon. Member: No, the Confederation of National Trade Unions.

Mr. Dupuis: He said he was right to admire Hitler—he always keeps in contact with Germany—he said that he received a letter from Hamburg, from the president of the Reichsbank, and that he would show it soon. Before he shows it, I shall tell him as a friend, that if I were in his place, I would not mention the president of the Hamburg bank.

Here is what the president of the Reichsbank, a former finance minister under Hitler, said—

An hon. Member: You also correspond with him.

Mr. Dupuis: I will tell you where I got my information. This is what Dr. Schacht, a friend of the deputy leader, a former finance minister of Hitler, said of the Social Credit philosophy in his book entitled "Memoirs of a Magician":

> When a nation spends more than its revenue and when it tries to meet its financial obligations by increasing the amount of its currency (therefore by printing money), the value of that currency decreases. Such was the situation in which Germany found itself following the first world war. Those who were most affected by inflation were the common people in Germany.

Mr. Speaker, "to issue currency" is what the member for Villeneuve wants to do, and

this is what his friend, the president of the Reichsbank, writes on page 163 of his book. I quote:

A great concern and a growing bitterness took hold of the labourers, employees, investors, who could not any longer meet even their daily keeping expenses. In vain did they keep on increasing salaries in paper money; it did not change anything. On the contrary, the more paper money was put into circulation, the faster its buying power diminished.

For the guidance of the member for Villeneuve, he continues on page 164, in the same book. I quote:

In 1923, devaluation of currency progressed at a frightful speed. It was necessary to issue such a volume of paper money that the printing press of the Reichsbank was far behind in meeting the demand. Many private printing presses were required to print more and more paper money. The day came when a street car ticket cost one billion marks.

And if I may continue, on page 165:

The living standard of the common people in 1923 took such a fall that communism grew in disquieting proportions. The magnitude of the political unrest forced the stabilization of the currency to avoid a catastrophe. One must remember that in those years banknotes were shipped in huge bales through towns and provinces, in moving vans, in railway cars, and that the cost of printing exceeded the face value of the bills off the printing press; this may help us fully understand the folly of those times. They were shamefully playing with the most precious capital of our people: its working power.

We condemn Social Credit today, and we remind our hon. friends that such experience gained in Germany should make them take a second look, and so should the experience of France when it printed those famous "consignats" during the revolution. But what can you do? They know nothing of history. Therefore I ask them to take the first page of the "Third Reich", a book they will find in the parliamentary library, and read the following words at the beginning of the book:

Those who do not remember the past are condemned to live it again.

Those are the words of the American author Santayana.

Now, Mr. Speaker, I have this to say to the Social Crediters: You have no right to come with your false doctrines, and to try to deceive the population of the province of Quebec. The citizens of the province of Quebec who voted for Social Credit are no fools. No, but the people of the province of Quebec are a proud people, they have believed in your words, but they are now aware of your deceit and they will never forgive you.

Mr. Speaker, I regret that the 30 minutes at my disposal do not allow me to turn back on—

Some hon. Members: Keep going.

Mr. Dupuis: Do I have unanimous consent?

Some hon. Members: Yes, yes.

Mr. Dupuis: I will talk about that, if you allow me the time I need, I will accept.

Mr. Speaker, the Social Credit doctrine has been explained in a book. Fortunately we have that book. Social Credit has also been explained on television the other night, and there again, we fortunately have the verbatim text. We have the facts before us today and our Social Credit friends will no longer be able to deny what they said. They will instead have to face the responsibilities that have resulted from such statements.

An hon. Member: Your 30 minutes are up.

Mr. Dupuis: You remember the debate that was shown on television? Those who saw it are waiting for explanations.

And now the Social Credit deputy leader tells us: How can the population buy a production of $36 billion with an income of $25 billion?

An hon. Member: That is right.

Mr. Dupuis: Mr. Speaker, our friends know nothing about nothing. They should have a look at the statistics, and that is just what the hon. member for Villeneuve said: "Mr. Marchand, you do not know anything about that. Come to Ottawa, we have the figures. Come and see."

We are in Ottawa now and Mr. Marchand is the one who was right.

Mr. Speaker, if the hon. member for Villeneuve would take the trouble to refer to the monthly publication on statistics in Canada, and particularly to page 506, he will notice—

An hon. Member: What year?

Mr. Dupuis: What year? 1962, of course.

If the hon. member for Villeneuve will refer to page 506, he will find the tables indicating that our national production has always been purchased in Canada. But, you see they take one part of the thing and compare it with the whole, instead of comparing equivalent figures.

An hon. Member: Then do the computing yourself.

Mr. Dupuis: Sit down. You will have your turn to talk.

Well, Mr. Speaker, we will remember that Mr. Marchand was right on television because

it says here, in the first table, that our production amounted to $36,844,000—

An hon. Member: Million?

Another hon. Member: Do you want me to read it for you?

Mr. Dupuis: No, I shall read it myself. I do not need your assistance. The total production amounted to $36,844,000,000 and that is indicated on page 506 of the statistical accounts.

Mr. Speaker, the hon. member for Villeneuve said, and I have the text in my hands, because I do not want to make up anything—

An hon. Member: Read what he said.

Mr. Dupuis: Here is what I find in that statement. Listen to the fine picture painted by the hon. member:

Mr. Caouette: You have only $8 billion or $9 billion something in the money supply circulating in Canada—

He is in the know. He said something like $8 or $9 billion.

A little later, he said something like $10 or $11 billion. To him, it is all alike, it has the same meaning. Here, again is what Mr. Caouette said:

You have only $8 billion, $9 billion something in the money supply, now in Canada, circulating at a rate of approximately 2.4 per cent. That means **a total national income of $24 billion.**

Mr. Marchand: For your information, **the money** supply stands at $15 billion.

Mr. Caouette: No, no, not at present.

Mr. Marchand: Find out for yourself.

Mr. Caouette: No, no, write the Minister of Finance—

Naturally, he is his friend.

—at present, it stands at $10 billion 200 million, something like that.

A while ago, it was $8 billion, $9 billion, something like that; then it was $10 billion, $11 billion, something like that.

Well, Mr. Speaker, I ask my hon. friends the Socreds to set these things straight, so that the population—

Mr. Speaker: Order. I am sorry to interrupt the hon. member's speech, and I know that the hon. members share my feelings, but the hon. member's time has expired.

Mr. Dupuis: Mr. Speaker, I have the unanimous consent of the house to continue.

Mr. Speaker: Permission to continue was asked indirectly by members sitting in one section of the house. Has the hon. member the unanimous consent of the house to continue his remarks?

(Text):

Mr. Deputy Speaker: Order. A l'ordre, à l'ordre. I will give the hon. member a little extra time. I just want to caution hon. members in the house about rising to make remarks that are not points of privilege or of order. I would let them know that this makes it difficult for the Chair to hear the debate. I am going to give the hon. member who has the floor a little extra time because of my intercession.

Mr. Dupuis: Mr. Speaker, they know they are out of order, but they want publicity.

(Translation):

Mr. Speaker, I rise on a point of order.

I wish to draw your attention to the fact that the one who occupied the chair before you gave me to understand that the time taken by interruptions to my speech, which totalled about five minutes, would be added to the time allowed to me.

Some hon. Members: That is true, Mr. Speaker.

An hon. Member: Besides, what the hon. member has to say is not important.

Another hon. Member: You will not be here long.

Mr. Speaker: I am very sorry I was not in the house when the Deputy Speaker was in the chair. In any case, the assistant clerk informs me that the hon. member is still entitled to two minutes to make up for the time he lost because of interruptions.

Mr. Dupuis: Two minutes to balance five minute interruptions, that is not too much.

Mr. Speaker, the population of the province of Quebec has the right to know who was right, Mr. Marchand or Mr. Caouette.

Our friends should examine the statistics issued here in Ottawa. There is no need to ask the Minister of Finance (Mr. Nowlan); besides, he himself might not know. If they would only study the statistics given on page 475 of the summary published in August 1962 by the Bank of Canada, more particularly in the eighth column, they would find that the money supply in Canada has always ranged about $15 billion and that since February 1962 up to now it has always stood at $15 billion. Therefore, Mr. Marchand was right when he said on television that the money supply reached $15 billion, which goes to prove that the member for Villeneuve is misleading the people once again when he says that the money supply stands at about $9 or $10 billion.

Hon. Paul Martineau (Minister of Mines and Technical Surveys): Mr. Speaker, my first words are of congratulations to you. In fact, in appointing you to that position, the house has recognized in you those high qualities which make you a distinguished parliamentarian, who has already had a brilliant legal career, as well as a military one which is an honour to the country as a whole. As a member from the province of Quebec, I am particularly glad that a French Canadian from the west has been appointed because, once again, we have recognized in a practical way the bilingual character of our country, from coast to coast.

Mr. Speaker, I should like also to congratulate the mover (Mr. Chaplin) and seconder (Mr. Vincent) of the address in reply to the speech from the throne.

First of all, I might recall that the hon. member for Waterloo South is a businessman of great experience, the son of a former government member who sat in this house. He has shown a deep knowledge of our great problems, and explained how the steps taken by the government could offer a solution to our present needs.

As for my colleague, the hon. member for Nicolet-Yamaska (Mr. Vincent), newly elected in this house, he has fulfilled his task in a masterful manner, as if he had been sitting here for several years. When he spoke about agricultural problems, he did so as a farmer, fully conscious of the needs of that class of people, conscious also of the importance of that industry for the prosperity of Canada as a whole.

To both of them, I am sure, the future reserves the most brilliant career, here in this house as well as elsewhere in the public affairs of our country.

I should like also, Mr. Speaker, to refer to the recent appointment of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) as parliamentary secretary to the Minister of Agriculture. In fact, it's the first time that a minister of agriculture has had a member from the province of Quebec as a parliamentary secretary who is a farmer's son, as well as an agronomist by profession, and who, for many years, has closely studied the needs of the farmers in his province. Such an appointment, Mr. Speaker, is really a valuable acquisition for the government.

I should like also to refer to the appointment of the Deputy Speaker, the hon. member for Winnipeg South (Mr. Chown), as well as to the appointment of the hon. member for Berthier-Maskinonge-Delanaudiere (Mr. Paul) as deputy chairman of committees. All those appointments are lending new glamour to the government benches and are strengthening our government, in addition to giving the house an additional buoyancy which will be felt more and more as this session develops.

(Text):

If I may, I should now like in a few words to speak about the speech made here last week by the Leader of the Opposition. The Leader of the Opposition saw fit to charge the government with political fraud in respect of the exchange position, alleging both concealment and misrepresentation on the part of the government and its leader. I know that already the Prime Minister, the Minister of Justice and many others have answered this baseless accusation by giving a complete factual account, step by step, of the events that led up to the situation which confronted this country and affected its foreign currency reserve, even listing, month by month and for the latter part of June day by day, the demands that were made on the reserve position of this country. These charges have been found to be what in effect they are, namely baseless and, I might say, also base. If one requires any further proof let him just consider one action which was taken by this government—and, in my submission, it was an act of great political courage undertaken by the government—in the midst of an election campaign. The government had the courage, when the situation called for it, to take on May 3 last—

Mr. Hellyer: It was a case of using the only available life raft or drowning.

Mr. Martineau: Well, he laughs best who laughs last.

An hon. Member: They pretended to have courage.

Mr. Martineau: I have a few observations to make and I hope I shall be able to make them, even though it does hurt members of the opposition.

Mr. Hellyer: They will have to be more sensible than that.

Mr. Martineau: The government did go ahead and peg the dollar at 92½ cents on May 3. I ask you, was there ever an act of greater political courage—

Some hon. Members: Oh, oh.

Mr. Hellyer: "Desperation" is the word.

Mr. Martineau: —because no matter what may be said, if the government had been in the throes of trying to conceal anything from the Canadian people, the very first step they would have taken would have been to refuse to peg the dollar in the midst of a campaign,

and the Liberals know that very well themselves. I do not doubt at all that privately among themselves they rejoiced at the action, though they may have qualified it as one of political naïveté.

In pegging the dollar the government obtained the warm and full approval of the authorities of the international monetary fund, and the Minister of Justice last week stated that this action on the part of the government stopped completely, stopped cold, to use his word, the run on the Canadian dollar and the accompanying pressure that had developed in late April of this year. Where, I ask you, is there any concealment in all this? The government by pegging the dollar publicly, despite the campaign that was in progress, revealed for all to know that it intended to deal firmly with the situation that had arisen, and it did so.

If I need any further backing for my words I need only examine the words that the hon. member for Bonavista-Twillingate poured forth last week. They can be found at page 218 of *Hansard,* where he is recorded as having said:

> In fact, it was perfectly obvious that the dollar was pegged on May 3 as a desperate measure to stop the drain.

If it was perfectly obvious, Mr. Speaker, where then is the concealment?

Mr. Pickersgill: The concealment was that it was not stopped.

Mr. Martineau: It was stopped. The hon. member then went on to use these words: "Facts that were known to everybody about the situation". That in itself is a complete admission coming from the opposition benches, coming from those who are making these charges, that there was no concealment, no misrepresentation.

Mr. Pickersgill: How silly can you be?

Mr. Martineau: The hon. member says "how silly can you be?" I ask the hon. member, how silly can he be when he says that facts that were known and obvious to everyone were facts of concealment and misrepresentation? Either there was no misrepresentation and no concealment, or else words do not have the meaning generally given to them in the English language and in the English dictionary I have here.

But, Mr. Speaker, we were in the midst of an election campaign. As it developed, the Liberal opposition saw a very unique opportunity to turn the tides that were far from running in their favour, and this act of great political courage was ridiculed and turned into an object of derision. Almost all economists in our country have for many years favoured devaluation, and I should like to quote from a certain economist, one among many in this country who have held this view. Here is what this gentleman said:

> The high exchange rate for the Canadian dollar made it easier for imported goods to compete successfully with goods produced in Canada; they could be sold for lower prices in Canadian dollars than would have been possible if the Canadian dollar had been at par or at a discount. It meant also that Canadian exporters received lower prices for their sales in other countries, when converted into Canadian dollars, than they would otherwise have done. Thus the premium on the Canadian dollar worked to the disadvantage of both our export industries and our domestic manufacturers.

Summing up his case in favour of devaluation, this noted economist stated:

> It is probably true to say, however, that the increased costs or losses of this nature—

He was speaking about the small increase that might be produced in the cost of living.

> —would be far outweighed by the economic and psychological gains to be derived from increased activity in Canadian industry and a reduction in the number of people employed.

Hon. members may be interested to know from whom I have quoted.

Mr. Hellyer: We know who it is.

Mr. Martineau: Nevertheless all members may not be as well informed as the hon. member for Trinity. It happens to be from a certain pamphlet written by none other than the member for Davenport (Mr. Gordon). The pamphlet is entitled "Troubled Canada", that "timely, inclusive and forthright follow-up", or so the flyleaf states, to the 1956 royal commission report on Canada's economic prospects, otherwise known as the Liberal bible, authorized version.

So I submit, Mr. Speaker, that here is where the baselessness of these charges appears in all its full light. Here is where it also appears that the Liberal party, the Liberal high command, engaged in a campaign that was not going according to their wishes no matter what they say—the results prove it was not going according to their wishes—staged one of the greatest mystification campaigns ever put on in the annals of public affairs in this country. I will give the elements of that campaign of mystification if you want them.

As I have said, all were agreed, and the Liberals had been agreed for five years, that devaluation would be a good thing for Canada, but all of a sudden it became a ridiculous act; it became a sort of psychological humiliation for the people of Canada, and Liberal spokesmen throughout this country forgot all the beneficial effects that such a move could have and in fact did have, as I will prove in a few minutes, with regard to

Canada's export trade, Canada's tourist trade, Canada's manufacturing industries and Canada's agriculture, to mention but a few.

It was suggested that Canadians had been hurt by the dollar devaluation. Somehow it was put over that the Canadian dollar had been intrinsically degraded, that it had become an object of contempt and that even in Canada it was worth less than the dollar it appeared to be. Phony bills, as phony as the Liberal program they were going to put across to the people, appeared all over the country, to such an extent that they became standard equipment in the kit of every Liberal candidate. Where is the mystification, where is the contempt for the people, the contempt for the real welfare of Canada? It is there in the high Liberal command, in the Liberal campaign. Last week they again renewed their charges. They thought they would take the offensive, and they thought the people of Canada were not wise enough to unveil the treachery that lay underneath their charges. Liberal spokesmen decried the country's financial structure, its financial integrity and its ability to meet its commitments. Statements such as have been made by Hon. Robert Winters, mentioned earlier in the debate—

Mr. Pickersgill: And the Minister of Agriculture (Mr. Hamilton).

Mr. Martineau: —that this country was on the verge of bankruptcy were the ordinary stock in trade of every Liberal spokesman on every public platform in Canada. There is the great mystification. Then they spilled crocodile tears because a run against the Canadian dollar did develop in the latter part of June. It is small wonder that it did not develop before, and it was a run that they had no small part in provoking.

Mr. Pickersgill: The Minister of Agriculture.

Mr. Martineau: Then, to continue dealing with the illogic of the Liberal party, we find them now saying that the finances of the country are in a terrible state, that we are on the verge of bankruptcy. However, let us consider this Liberal program that is going to cost many hundreds of millions of dollars in expenditures by the public treasury—and these suggestions are being made at a time when they say this country is on the verge of bankruptcy. I should like to enumerate a few of the proposals which involve either the expenditure of public funds or a reduction of government income. They are a national medical plan, extension of present hospital insurance services to include optical, dental and nursing services; free education at all levels, despite encroachment on provincial rights in this matter; 10,000 university scholarships worth $10,000 each; increased aid for urban renewal; benefits to persons in training; a municipal loans fund; increased pensions; increased foreign aid; increased depletion allowances; reduced corporate tax rates; extension of several insurable categories under the Unemployment Insurance Act; greater agricultural aids and subsidies and a host of other odds and ends.

Many of these measures would be of benefit to the country, and many of them this government has already implemented to the benefit of Canadians everywhere. The point I am trying to bring out is the ridiculous nature of the charges which were laid when they said that this government, by its mismanagement, had brought the country to the edge of bankruptcy and yet, on the other hand, they say we can still spend millions more without reaching that stage of bankruptcy. There is illogic in that kind of situation. These statements were made in the heat of an election campaign; but then the Leader of the Opposition (Mr. Pearson) the other day quite coolly again proposed measures involving the training of workers, a health plan, contributory pensions and increased family allowances. All of these measures would again involve increased expenditures of several hundreds of millions of dollars.

The great economist from Davenport (Mr. Gordon) likewise, in his speech, said that there was a need now for a national health plan, more adequate provision for our older citizens, and so on. Well, Mr. Speaker, where is the logic in all this? On the one hand they would tell you that this government is composed of spendthrifts, and on the other hand not only do they not propose any reduction in the present expenditure but they propose to add hundreds of millions of dollars of new expenditure.

Then, they decry excessive taxation, and indeed we all do. However, their own proposals would mean that the government would have to impose and collect these additional amounts from the Canadian people in order to implement their program. As the Prime Minister noted last week, this program would mean an increase of 40 to 50 per cent in income tax alone. The Liberals declare themselves appalled by deficits that have been incurred, and yet, irresponsibly they propose measures that would at least double any existing deficit. Finally, they clamour irresponsibly for a new election without waiting to see the government unfold its legislative program and without considering for one minute whether or not an election at this time would or would not be in the general interest of the country.

There is the real situation, Mr. Speaker. They talk of bankruptcy, lacking complete evidence of the charges they have hurled forth, and there, I believe, is the answer to those who still believe the Liberal party in this country warrants any measure of support from any important sector of our country. I may say here that not all the prophets are as good as the hon. member for Davenport. In his report on Canada's economic prospects a few years ago, the hon. member indicated certain projects to which he referred again in that pamphlet entitled "Troubled Canada". In "Troubled Canada" he refers to predictions made in the preliminary report and points out that the final report contains a note of caution to the effect that the probability is therefore overwhelming that the future will not be obliging enough to conform to what we have predicted. On page 26 of the book he says:

> The prophecy that was ventured in the last sentence has already proven to be true.

In other words, Mr. Speaker, the hon. member for Davenport prophesied that he would not be a good prophet and this is the only one of his prophecies that has proven to be true.

What have been the effects of the devaluation of the Canadian dollar, Mr. Speaker? Since I am now Minister of Mines and Technical Surveys, I should like to refer to a recent edition of the *Northern Miner* dated September 27, 1962. This is what the editorial writer in that paper states:

> Altogether, devaluation has been a good thing for Canada, not, in truth, for everyone, but for the overwhelming majority. Business was in a state of stagnation prior to the Fleming action. Now it has a glowing spark of life, and mining, as we can say out of close associations, is enjoying very good times whereas under world conditions it might have fallen on evil days if the currency had not been altered.

This editorial eloquently sets out the situation in a very important sector of the Canadian economy. Now, sir, I was reading the *Financial Post* last week, the edition of October 6, 1962. In the column entitled "The Outlook" I found the following:

> From all indications, general business activity still was rising through the third quarter just ended—as it should be in the pre-peak period of the business cycle.
>
> Preliminary evidence suggests that gross national product probably ran close to $39,800 million for a 1 per cent increase over the second quarter. Recently released figures for the April-May-June period showed gross national product at an annual rate of $39,424 million, up 1.5 per cent in the quarter.
>
> The implication: A full year 1962 gross national product of $39,600 million for a healthy 7 per cent, or greater, advance over 1961.

Here is a report from another publication of the Canadian Manufacturers' Association for the month of September, 1962, entitled, "Forging Ahead". I quote:

> How fares the Canadian economy as summer gives way to fall in this year 1962? The answer is that it is faring very well indeed. Most of the mid-year statistics relating to business and industrial activity are now available and they make impressive reading.
>
> Industrial production in the first six months of this year was up more than 9 per cent on the same period as 1961. Likewise manufacturers' shipments. Retail sales were higher by more than 5 per cent. Output of passenger cars and passenger trucks climbed by more than 30 per cent in the first half of the year, sales by more than 20 per cent. The number of new residential dwellings under construction at the end of July was 9 per cent greater than the year earlier, while the number of completions in the first six months of this year was 11 per cent greater than in the first half of 1961.
>
> The buoyancy of the economy in general and of manufacturing industry in particular was the reason why there were a record number of Canadians at work at the end of July—180,000 more than a year earlier—and why nearly 50,000 fewer were without employment.

That is from an organ published by the Canadian Manufacturers' Association, an association which should know how Canada's economy fares. It is a performance by a country which, should we listen to the benches opposite, was on the verge of bankruptcy.

The predictions that were made earlier by the then minister of finance, now the Minister of Justice, estimated a rise of 7 to 8 per cent in gross national product. The Liberals speak about the great years of prosperity during the entire post-war period, but from 1945 to 1961, in constant dollars, that annual increase was only exceeded twice in all the years of Liberal rule.

An hon. Member: What about 1961?

Mr. Martineau: They are all there. You can have them if you want them. This should suffice to debunk the baseless charges of the opposition. It should also suffice to convince all impartially minded Canadians that our economy is not going through a period of deep stagnation, that we are not on the road to bankruptcy but that given industry, effort and proper direction, the country will forge ahead as this industrial publication says we are now doing.

I submit that the speech from the throne, and the legislation announced in it, are an act of faith in Canada, an act of faith in the ability of the country to compete. They are an act of faith in Canada's ability to provide high standards and rich rewards to those who want to work. The government, on its part, will do its full share, as it has done in years past, to solve the problems of the hour. None will deny that these are many but it is not by baseless accusations, irresponsible statements and charges unsupported by evidence that confidence will be restored.

(Translation):

Mr. Speaker, I shall conclude my remarks by simply saying that the legislation advocated in the speech from the throne answers the real needs of our confederation. We find there some measures which are to apply the concept of Canadian confederation. There is some legislation tending to give our country national symbols, which the people have been demanding for a number of years, but which have also been laughed at by none other than the people who are now trying to pose as the champions of Canadian nationalism.

During the many years they were in power, they did nothing but talk about it. Measures mentioned in the speech from the throne indicate definite action, and I believe this will greatly help make this country a truly united nation when we celebrate its centenary.

The other day I had the privilege to attend the official inauguration of the trans-Canada highway. There, we have a Canadian achievement, a 4,600 miles long road. All along that road we could see the great Canadian panorama in all its diversity and, in spite of the diversity unfurling all along that distance, the unity of a single highway was noticeable, which seemed to me a true symbol for Canada, where unity is found in diversity.

That principle forms the basis of our confederation and it is also the principle, Mr. Speaker, which our party, and our government, in short which we all on this side of the house shall, now and always, protect and defend with every effort.

(Text):

Mr. Hubert Badanai (Fort William): Mr. Speaker, in rising to take part in this debate I should like to join those who preceded me in offering you my congratulations on being in the exalted position for which you have been chosen. To say this is more than a formality on my part, because I have a genuine respect for the extraordinary qualities required in the discharge of your duties. I am also pleased with the choice of Deputy Speaker, a man I have had occasion to admire as committee chairman during the last session of parliament. To him and the other presiding officers of the house I wish a successful tenure of office, be it short or long. The mover and seconder of the address in reply also deserve congratulations for having performed a very creditable job.

The speech from the throne has been described in various terms. One hon. member has described it as a speech to fit the times. Some call it a bold speech; others regard it as a very cautious one. We on this side of the house claim it was inadequate to meet the problems confronting the nation. However, it did contain a few constructive suggestions such as enlargement of the industrial development bank and the provision of more funds for the Farm Credit Corporation. The establishment of an Indian claims commission and a national medical council are proposals which will not find any opposition from us, but the suggestion to call a dominion-provincial conference on the choice of a national flag does not commend itself. In view of our critical financial situation and other matters of vital importance, time should not be wasted in debating such a proposal, time which can be used to better advantage in finding ways and means to correct the many ills of the nation.

So far as I am concerned there is no time to waste on awakening old animosities and wrangling about the merits of designs for a distinctive flag. As a matter of fact I believe we already have a flag which is recognized everywhere throughout the world. I am referring to the old red ensign. Nations are moving towards the idea of a unified world in which the importance of national flags is diminishing.

The idea of dividing the Northwest Territories may be sound but I doubt the wisdom of prematurely preparing the territories for provincial status until they have sufficiently large populations to justify such a move. Otherwise additional governments could only mean additional burdens which the taxpayers of the country would have to meet.

We can all agree that the speech was long and replete with generalities and hints of measures which had a familiar ring, but it contained nothing of a definite nature outlining a program designed to inspire the Canadian people with a call for action, to which every adult Canadian could respond, in order to ensure a return of confidence in an economy badly shaken by the revelations made by the Prime Minister only a few days after the election last June.

The speech contained many items, some of which are of a rehashed nature and some new, intended to provide some vehicle that will bring back order out of the chaotic conditions for which the present government must accept responsibility. Gone are the days when it was convenient for the Prime Minister and his supporters to blame the former Liberal administration for everything that went wrong. It is surprising—indeed, it was surprising to me—that in the long list of intended legislation the question of immigration was completely ignored. Reform of the immigration laws of our country should be one of the items of consideration by this twenty fifth parliament, if it is allowed to proceed for any length of time.

The present policy, based on the unemployment situation, is unrealistic. It perpetuates a state of fear, a lack of confidence, and general disintegration of the idea that the twentieth century belongs to Canada. The high sounding words with which the new regulations were announced during the last parliament, such as "no more discrimination against prospective immigrants on grounds of race, colour, creed or country of origin" were soon discovered to be nothing more than a smoke screen to conceal the substitution of one form of discrimination for another.

Under the new regulations, which went into effect on February 1, 1962, an unsponsored person can qualify for entry into Canada on his own merit. But this is the real catch. Unless the applicant can qualify under the regulations, which spell out certain skills, and unless he or she is a doctor, nurse, medical laboratory technician, dietician, teacher, accountant, qualified social worker, priest, minister or a lawyer, he or she need not apply. As I look around this chamber—I do not have to look very far—I fail to see a shortage in the legal profession.

Mr. Speaker, I do not think immigration should be restricted to people of particular trades or professions. We should be willing to admit to our shores people of enterprise and imagination who will continue to build Canada in the spirit of the early pioneers. At least, I thought that was what the Prime Minister wanted when he was in opposition. To suggest that only immigrants with certain skills need apply, under Canada's long term immigration policy, is to cripple the future growth of this country for generations to come. The present regulations can only succeed in keeping people out. The very idea, Mr. Speaker, of the grading of applicants for admission to Canada, as cattle are graded for the purpose of exhibition, will not encourage anyone to seek entry into our country.

Countless people in Canada—and I venture to say that some may be now sitting in this parliament—who have succeeded and have made good Canadian citizens might not have got into the country if they had been subjected to the test which this government has applied to all prospective immigrants.

The Prime Minister and most of his supporters were in favour of a generous immigration policy before they were elected to form a government. They had nothing but condemnation for the Liberal government for not allowing more people into the country. As far back as February 25, 1953, the Prime Minister said, as reported in the *Globe and Mail*, that complete disintegration of Canada's economic structure was predicted unless its population jumped to 40 million in the next 25 years. He said, "We cannot sit on the storehouse of the world with a population of 15 million without inviting disaster."

Mr. Speaker, at the rate we are admitting immigrants into this country, and allowing for a generous birth rate, it will be, not 25 years before we reach a population of 40 million, but even 50 years will not do it.

On April 27, 1957, the Toronto *Telegram* reports the Prime Minister saying that increased population was required if Canada's development was to keep pace with her vast resources; that a Conservative government would apply a vigorous immigration policy in co-operation with the provinces, and that the Immigration Act would be overhauled. "Canada must populate or perish."

Well, Mr. Speaker, a Conservative government has been in power for more than five years but no change of policy designed to encourage more immigrants has taken place. The actual policy which has been in operation for five years can hardly fit the statement the Prime Minister made when addressing a gathering in London, Ontario, on May 7, 1961. He then said:

> Unless we populate and use the God-given resources of ours, we stand in peril of perishing under communism.

Mr. Speaker, because of high unemployment there has developed in some quarters doubt as to the advantages of immigration, this despite the fact that Canada's domestic market is more than a million consumers greater because of the former Liberal government's immigration policy in the decade between 1947 and 1957.

Those who question the benefits of immigration would do well to consider the opinion of the eminent British economist, Colin Clark. Professor Clark holds the view that population growth, far from being something to be feared, should be welcomed. His reasoning is that pressure of population has proved a beneficial force, stimulating nations into creating a more productive economy, improving their cultural patterns and in many cases moving toward the direction of a freer market. In other words, immigration pays off.

Every immigrant coming to Canada has a certain value and is an asset of merit. Our entire future is concerned with this. We must have immigration to prosper. The Immigration Act, which was to receive an overhaul, as I have already indicated, is still intact. What has been added to it is a set of restrictive measures based on the hypocritical statement that racial discrimination has been eliminated, when in fact the end result proves that the device was designed to keep people out. The government must bear responsibility

for the unenlightened performance of the department. It is to be hoped that under the direction of the new minister a more realistic attitude toward immigration will be adopted.

It is hard to believe, but figures speak for themselves and indicate that this government, while professing to be in favour, appears to be set against an increase or a growth in population. Every action taken so far during the past four years has given ample cause to suspect an unwarranted reluctance to formulate a policy which would allow more people into the country. No one can successfully deny that present regulations as administered at the discretion of the minister are such as can be turned on and off like a water hose in one's garden. There has never been a time when arguments could not be raised against immigration. Some hold the view that immigrants are, in effect, job takers and that the more immigrants allowed in the greater the threat to employment and living standards. Extensive studies made by responsible persons have shown the opposite to be true. One of these studies revealed that in 1961 some 50 per cent of a group of 6,969 immigrants applying for citizenship in Toronto and Montreal had become employers and were themselves providing work for no less than 3,070 people. Mr. Speaker, these facts deserve to be made more widely known if the misconceptions which are so prevalent are to be corrected.

Mr. Speaker, I should like to bring to the attention of the new Minister of Citizenship and Immigration (Mr. Bell) an editorial which appeared in the Fort William daily *Times Journal* of August 4, 1962. It says:

> During the 12 months ending June 1 of this year, 70,000 immigrants entered Canada. During the same twelve months 72,000 people emigrated from Canada to the United States and other countries. Roughly two thirds of our loss of 72,000 went to the United States. The situation calls for sober study by national administrators at Ottawa.
>
> Since the close of the last war, those prospects brightened considerably. Year after year around 200,000 people arrived annually from overseas to join us in the development of the country.

Mr. Roxburgh: Mr. Speaker, on a question of privilege. Because of the noise across the line, including noise from a number of ministers, I cannot hear the hon. member who is giving his speech.

Mr. Speaker: Order. If the hon. member feels he is experiencing some difficulty, there is provided for his personal use an amplifier which can give him the speech in either of the two official languages of this house.

Mr. Byrne: Mr. Speaker, on a point of order. It is very confusing for the person who is speaking, who is unable to keep an earphone to his ear, or perhaps does not find it necessary; but the noise from the other side is, I am sure, distracting the speaker.

Mr. Badanai: Mr. Speaker, I was just quoting before the intervention, from the editorial in the Fort William daily *Times Journal*. I continue:

> Some of them brought money, others were able to contribute great talents of workmanship and business sense. All of them provided a brand new market for shoes, clothing, food, and the manufactured products which go into new homes.
>
> Due to pressures from those who cannot see the tremendous value of heavy immigration in the creation of new jobs and the betterment of our domestic market, the powers-that-be have restricted the inflow of new citizens to the low total of 70,000 in the last 12 months.
>
> That could be an important factor in a general explanation of the industrial slowdown we have experienced in the past five years. At a time when competition for export business has been increasing, we have chosen to throttle vital domestic trade by reducing the number of buyers at home.

Now, Mr. Speaker, the editor of the daily *Times Journal* has provided an excellent text for the new minister to guide him in his decisions when confronted with applications from prospective immigrants. A systematic campaign to attract and encourage immigration should be a target of the new minister. General peacetime prosperity and full employment have all coincided with a high immigration rate. I submit to the new minister that he should give serious consideration to the introduction of a bill on immigration reform and give a parliamentary committee an opportunity to examine and discuss it. Members would then have something to work on. It would enable them to give this important subject maximum consideration and avoid a hasty, wrong decision which may well affect and retard the growth and development of Canada.

Now, Mr. Speaker, there is one other omission in the speech from the throne. While not in the same category, it is a matter which, if not overlooked, would have generated satisfaction among the men and women who are the employees of the government. It is the failure to make any reference to the need for the revision of certain sections of the Civil Service Act. During the last parliament an effort was made to amend section 7 of the Civil Service Act to include a provision for negotiation, conciliation and arbitration of disputes, similar to that enjoyed by crown corporations, and which would cover all civil servants in Canada. The government rejected the suggestion that we made on this side of the house, and the government majority proceeded to approve the anaemic proposal which, in substance, gave civil servants the right to initiate negotiations but which denied them

the right to negotiate. We should all be concerned with the fundamental rights of employees to negotiate with their employers in a manner recognized as a standard practice by the trades and labour movement of our country. The decision of the government to delay indefinitely the approval of recommendations of salary increases made by the civil service commission last April is also to be deplored. I urge the government to give consideration to these important matters, which are vital to the cause of good government, thus ending an era of discontent and misunderstanding between the government and its employees. The civil servants who are employed under the provisions of the Civil Service Act regulations are the only organized group in Canada who do not have the right to negotiation, conciliation or arbitration. A Liberal government will not hesitate to grant our civil servants these fundamental rights.

Mr. Speaker, any changes in freight rate legislation, which will have the effect of removing the need for across the board rate increases, a vicious method which in the past has been responsible for the inequalities in freight rates in certain regions across Canada, such as northwestern Ontario, will be indeed welcomed. At the same time some of the changes recommended by the MacPherson royal commission on transportation should be approached with great caution. The committee should be given ample opportunity to study and discuss proposed changes in order that services provided by the railways for the convenience and development of Canada be protected.

We cannot be too complacent or smug if we are to recover our former enviable place occupied five years ago. We cannot therefore vote confidence in this government which has dissipated the best opportunities to attain what it hopes to achieve with a program which does not bear the resemblance of anything like what we on this side believe to be necessary to emerge from a situation about which a United States economist has recently said this: "Canada has the largest percentage of unemployment of any industrial nation".

It is a view shared by all three opposition parties. Such being the case one would have expected unanimity in voting against the government. However, the hon. member for Red Deer (Mr. Thompson), the leader of his party, notwithstanding his accusation against the government which he described as "one of the most dismal failures of a public administration in Canada's history", has seen fit to vote confidence in this government.

[Mr. Badanai.]

In the *Financial Times* of October 8, there appear a few paragraphs I wish to quote and which have a close relation to what I am talking about:

> The prevarications of the Social Credit members who sustained the government last week defeated the Liberals' no confidence motion. But they do not prove that Mr. Diefenbaker has the confidence of the country.
>
> On the contrary, his performance last week did more than all his opponents could do to destroy the trust and respect of responsible Canadians. His audacious claim that the exchange crisis developed unexpectedly after his pre-election telecast on June 14 admits of only two explanations.
>
> One is that Mr. Diefenbaker regards the Canadian people as almost infinitely gullible. The other is that he did not then, and still does not now, know enough about the business and financial world to understand what every citizen of economic literacy has known since early last spring.

That was last Thursday. Today we are offering the gentlemen on our left another opportunity to redeem themselves and to vote for the Liberal amendment moved by the hon. member for Inverness-Richmond (Mr. MacEachen) and to put an end to the deception and incompetence of this government.

Mr. Horace A. Olson (Medicine Hat): Mr. Speaker, in my first words as I take part in this debate I wish to perform a very pleasant duty indeed and to offer my congratulations to the Speaker and to you, sir, on your election to the high office you occupy in this session of parliament as Deputy Speaker.

To the mover and the seconder of the motion now under debate I also wish to offer my congratulations for their commendable contributions.

I have two and possibly three objectives to gain in the time that is available to me. First, I wish to make a comment or two on the debate thus far. We in this group have noticed that several of the Liberal members, particularly those from the province of Quebec, have spent nearly all of their time acting as though the Social Credit party now forms the government. It seems to us that they are indicating that some members in the party they represent have hurt them in recent days. I suggest that their attempts to move in this house one amendment after another indicate that they seem to be in a tremendous hurry to have this parliament dissolved and to be getting on with the business of another election. This attitude may change in the next few days after the culmination of an event that is now taking place in the province of Quebec and is occupying the attention of their colleagues there. There must be some reason for this rush to get back to the hustings.

Certainly we in this party have taken the attitude that we were elected as members of this parliament, as representatives of our constituencies, to carry on the business of

government to the best of our abilities. We recognize the fact that during this past summer we were not elected in sufficient numbers to form the government and therefore we do not assume responsibility for the policies followed by this government. At the same time charges have been made that we are betraying our mandate. I suggest that the greatest betrayal of our mandate would be to support the Liberals in advancing any of their policies in this parliament. The Liberal party did not receive a mandate to administer the affairs of the country. As has been mentioned on numerous occasions, this entire house is made up of minorities. If we were to accept their contention that the time is now ripe to seek dissolution and to go back to the country, I suggest that we would not be doing the responsible thing at this time. We in this party have assumed the responsible position of giving the government an opportunity to bring on their legislative program. At the same time we have reserved the right to examine that program. At some future time, if they do not attempt to correct some of the mistakes and mismanagement we have seen over the past four years, we would join with other opposition groups if they choose to bring on an election and to change the composition of this house. At the present time, however, there are 264 members elected in this house. If another election were called immediately, that is all we could elect. The people of Canada could elect only 265 members. We take the position that it is the responsibility of members who are now here to settle down, to give the government an opportunity, and to see what they have to offer. In addition to that, each one of the members of this group was elected primarily to give effect to the policies of the Social Credit party. Previously in this debate we moved an amendment designed to give effect to them. Our subamendment was lost. However, as I say, we were committed to advocating those policies and we did so.

I should now like to turn to one or two things that have been said respecting these policies we have been advocating. As I mentioned a few minutes ago, some of the Liberal members have spent all of their time denouncing those policies. In fact, it looks as though they have given a great deal of attention to the study of Social Credit policies. We appreciate this effort. Certainly one cannot come up with the right answers unless one does some studying of the problems. But I would say in answer to the hon. member for Laurier's accusation of faulty accounting on our part that he missed the most important point in the Social Credit policy when he was discussing the difference between the value of the goods available and the purchasing power found to purchase those goods. He talked about the velocity of purchasing power accounting for some of this difference and with that I agree; but he failed to mention anything about the additional increase in debt that has taken place in the country for the people of Canada to buy the goods that they themselves have already produced. If he does not take this factor into consideration he loses the entire point of the Social Credit policy.

I noticed too that the Associate Minister of National Defence (Mr. Sevigny) had a few words to say about the laws of accounting and the laws of finance as they apply to the Canadian economy. From the point of view of unemployment and the other problems that Canada has at this time, if the Conservative government's interpretation of the laws of accounting and finance confines them to the limits of the economic activity that we have in Canada today, then I think it is the first responsibility of this parliament to change some of these laws of accounting and finance.

It was rather interesting to note in the course of this debate that the Liberal party in their great plan, their great program for the future, have taken some of the planks from Social Credit policy. For example, their great plan of making capital available to the municipalities has been advocated by Social Credit spokesmen all across Canada for the last six to eight years that I know of and perhaps even before that. We would do this a little differently from what they have advocated. We have said that it is now and should be the responsibility of the Bank of Canada to set up a branch for the purpose of making long range capital available to the municipalities for the social structures that most municipalities need. We believe that if this were done long range social capital could be provided at a lower rate of interest and, further, that this kind of expansion at the municipal level, in the form of schools, hospitals, roads and all the responsibilities of municipal government, could be one of the greatest moves in alleviating the unemployment situation that could be taken in Canada today.

We are not advocating that the federal government should make this capital available on the basis of straight grants because we have had experience in this regard in the province of Alberta. We set up a municipal finance corporation in the last two or three years but previous to that large scale loans and grants were made directly through the department of municipal affairs, and the problem in making direct grants for these purposes is that there is not an equitable

distribution of the funds. It boils down to a position of those municipalities that ask the most actually receiving the most.

We believe that the assets of the federal government through the Bank of Canada belong to all of the people and if in one given year or cycle one municipality or one area of Canada asks for more and it is considered prudent to give them more the money should be made available by way of an interest bearing loan so it will be recoverable. Then at some future date other municipalities could make the same request. I think too that we have to recognize that this is one of the greatest problems facing municipalities. Certainly the success of the municipal finance corporation in the province of Alberta could now be a pattern for the federal government in setting up a similar organization at the federal level, and in addition the enormous resources of the Bank of Canada would be available to them, whereas at the present time the municipal finance corporation of Alberta must go to the money market to borrow its requirements over and above the money available from the provincial treasury.

I have one other very important matter that I should like to bring before the house. I refer to the concept of agriculture and what has been received by agriculture from the government during the past four or five years. I want to quote one or two passages from *Hansard* to give some background to the point I wish to make. As found on page 75 of *Hansard* the Prime Minister (Mr. Diefenbaker) had this to say:

> I saw the Leader of the Opposition on election night, Mr. Speaker, when he believed he was going to be occupying this seat. That is before the western farmer came in.

It is perhaps the prerogative of the Prime Minister and other members of the Conservative party to take as much credit for their political activities as they wish. I believe though that there is a misconception in the minds of most Canadians not engaged in agriculture to the extent that they believe that agriculture has received a far larger share of the funds of the federal treasury than they are entitled to. I think the Conservative party should be deeply indebted to the Minister of Agriculture (Mr. Hamilton) for getting so much mileage out of so little fuel; but that is not what concerns me. What concerns me at the moment is that in the future the position of the Minister of Agriculture is, I think, going to be jeopardized to some extent because of the widespread feeling that farmers are already getting too much. I quote now from an editorial headed "Let's Get This Straight" in the *Western Producer* of August 2, 1962:

> We are completely fed up with some of the glib assumptions made by the people who, before, during and after the election campaign undertook to size up the prairie vote situation by implying the Conservatives "bought" the farmers' vote with large and unwarranted government "handouts".
>
> Readers may remember some of the "funny" men on election night remarking that you couldn't get in the door of the average prairie farm house without kicking aside the pile of government cheques. Another wisecrack—at least we think this is what was intended—was to the effect that every time a farmer opened his mail box at the post office a few more "handout" cheques tumbled out—
>
> But as lately as last week—

The reference is to the last week of July.

> —we read in an eastern newspaper a "learned" dissertation on how much government money it cost to buy the prairie farm vote.

I know that a great deal was said during the election campaign about the fact that the government of the day was passing out large amounts of money and that in fact they had established agricultural policies that were giving the farmers a larger share of the national income than at any time in history.

For example, on page 98 of *Hansard* I find the Prime Minister had this to say:

> Prices have increased to such an extent that in every part of Canada farmers are receiving more for their production than they could have hoped for a matter of a few years ago.

In the next column on the same page, I find he says this:

> I believe that everywhere across this country people are deeply indebted to the Minister of Agriculture for the effort he has made.

Well, Mr. Speaker, I looked at some of the statistics with respect to the actual cash income of farmers in Canada for the period that was under consideration during the election campaign. This is what I found. For example, from the sale of wheat during the first three months of this year, January to March 1962, farmers received $66,026,000 as opposed to $82,336 for the same period in 1961. In the matter of Canadian wheat board payments, during the period of January to March 1961, there was distributed to farmers $37,750,000 to the farmers, and in the corresponding period in 1962 this figure of $37,750,000 had been reduced to only $17,000. I want to say that there was $3,853,000 paid out in wheat board payments on oats in 1961. During the same period in 1962 there were no payments at all. The total cash income from the sale of farm products in Canada for that group under the heading of "Crops" for the period 1962 was $189,042,000 as opposed to $270 million for the same period in 1961. I think it is abundantly clear, therefore, that the farmers have not received a disproportionately high share of the national income during this year, 1962.

I want to be fair in this to the Minister of Agriculture because it is my hope that in

setting this record straight I will be able to assist him in his avowed purpose, indeed in his obligation, to pursue policies beneficial to agricultural producers in all parts of Canada. I want to say, to be perfectly fair, that during the next quarter, from April 1 to June 1, the statistics which have been made available to us recently indicate a substantial increase in these Canadian wheat board payments. I suppose some hon. members opposite in the Conservative party will disagree, but it appears to me that there may have been a deliberate withholding of these payments during the early months of this year so that they could have great effect immediately preceding the election. There is a note attached to these later statistics for the three month period April to June, 1962, to the effect that the greatest contributing factor in raising the cash income to farmers was these payments out of the Canadian wheat board fund. I believe that this gives to Canadians generally, other than farmers, the erroneous concept that the farmer got more than his share.

Mr. Herridge: It was his own money.

Mr. Olson: It was his own money, that is true. He should have had it in the first quarter of this year as he did in former years.

Now, Mr. Speaker, there are many other statistics to which I could refer, as well as a number of other points that would perhaps change this erroneous attitude towards the farm population of Canada. However, we will be going over the whole field of agriculture from time to time when the estimates are under consideration, if this house is still in session.

I should like to turn back now for a moment to the condition in which we find ourselves with respect to what to do about confidence in the government. We have no great confidence in the present government. It is obvious that they have made mistakes. It is obvious to me, too, that they have not followed policies that were in the general interest, at least from my point of view. However, we have to face this fact, that the last election campaign was conducted in what I might call a factual vacuum. The Canadian people did not have all the facts with regard to the Canadian economy or Canadian exchange reserve. Certainly, if we were to precipitate another election at this time before this house has an opportunity to study all the facts in this regard we would go into another 60 or 70-day period in which we will again be in a factual vacuum.

I feel that the parliamentary committees should be set up at once so that we will have an opportunity to inquire into many things with regard to Canada's economy. Furthermore, I believe that these committees should be strengthened to the end that they will have an opportunity to send for whatever information they require in order to obtain a true picture of the facts at this time. Now that we have the 20-20 hindsight of the last few weeks, we are wondering why the information was not made available to us preceding June 18. However, we are assembled in this parliament for the purpose of getting this information at this time.

I wish to commend the government, Mr. Speaker, if that is the right word, upon their avowed intention of adopting a pay as you go policy, in other words, balancing the budget. Our members believe that the greatest injustice to the Canadian people is the enormous debt service charges that we are obliged to pay at this time. We believe that this is one of the areas where the imagination and effort of all hon. members could be used to advantage. I know that in the constituency of Medicine Hat, where I spent most of my time during the election campaign, the one thing that came up time and again was this: Why was it good for the Canadian people to have their government call in all the bonds in the fall of 1958 and reissue them at a 50 per cent increase in their earning power? We still have no satisfactory answer to this and we should like to know why the government felt it was going to be beneficial to Canada to call in bonds that had not yet matured and reissue them at a 50 per cent increase in their earning power.

We know that most of those bonds were issued during the war at interest rates varying from 2¾ per cent to 3 per cent but when they were reissued the interest rates were from 4 per cent to 4½ per cent. We cannot determine exactly how much this infamous conversion loan cost the Canadian people, but on an amount of $6.4 billion, carrying additional interest charges of approximately 1½ per cent, the amount is certainly big and the unfortunate part is that these charges will be with us not for a year or two but in some cases for the next 25 years. My Conservative opponent in the election campaign had more difficulty explaining this than any other single act of his government. I believe it is the most expensive single action ever undertaken by any government in Canada, other than during wartime.

Across the country there have been a number of charges made with respect to Social Credit's statement about the sale of Canadian wheat to red China. We do not object to selling wheat to anyone who can use it for food; that was made abundantly clear. But we do object to the use of Canadian wheat in promoting the cause of international communism. For example, we know—at least we have been told and the government has

not denied it—that when several cargoes of wheat were shipped from Vancouver they were transshipped on the high seas to places like Cuba, Albania and East Germany.

If there were starving millions on the Chinese mainland who needed this wheat then there can be only one reason why they transshipped it or changed the bills of lading to send it to these other countries, and that is to advance the political objectives and ideology of international communism. Perhaps the government of Canada had no control over what happened to the wheat after it left Canadian shores, but I just want to correct the erroneous statements attributed to us, that we objected to the sale of Canadian wheat to the Chinese or anyone else. What we do object to is the use that was made of it.

Dealing with the international field I wish to refer briefly to a statement made by a United States senator. I quote from the Winnipeg *Free Press* of June 21, 1962:

> At a time when the free world looks to Canada for strength and leadership in the development of the free world's economic, political and military resources, it is tragic that Canadian leadership will be subject to dictation of the irresponsible Social Credit party which now holds the balance of power.

All I wish to say, Mr. Speaker, is that we are interested in advancing understanding between the United States and Canada, and perhaps I should offer a word of advice to the honourable senator—

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but his time has more than slightly expired. The reason I permitted him to go on for a few seconds was that I felt he should close his remarks with some comment on the quotation he used.

Mr. F. J. Bigg (Athabasca): I had hoped that Mr. Speaker would be present at this time because I would like to start my remarks by congratulating him, both on behalf of myself and the fair province of Alberta, on being elevated to his high position. I would also like to congratulate the mover and seconder of the address in reply to the speech from the throne, and I compliment them on the very able way in which they have made their first contributions to debates in this house.

Now, having put away the compliments I have a very serious objection to make. For well over a thousand years democracy has been well served by the parliamentary system, but of recent months, recent weeks and recent days I have come to worry a little bit about the future of this system. This chamber is not a circus. This is a place where I trust able men, dedicated men, come to present a program for maintaining democracy in an able, conscientious and decorous way.

Democracy is not perfect; it never will be. We as members are not perfect and never will be; but surely we can try to maintain the high standards which our ancestors and our fathers, and which many present members of the house have maintained up to this time. I beg of hon. members to keep this in front of them. There is something going on here more than the mere arguing about the price of hogs and interest rates, or the advancement of new ideas on the way in which we run the country. Our very freedom depends on the way we run this house, and unless we maintain the confidence of the people of Canada it is better that we should stay at home.

I carried on a positive campaign in order to be re-elected to this house. I believe it is somewhat of a surprise to some that I still sit here, but I think the reason I was re-elected is that what I preach I practise. I do not criticize for criticism's sake; but now I am going to go round this chamber a little and do what I rarely do, and that is criticize the critics.

The hon. member for Niagara Falls (Miss LaMarsh) said the other night, at page 227 of *Hansard* for October 4, as it is reported—and these were not her exact words as I heard them, but I take them as they were recorded—

> All members of the opposition were elected for one purpose, and that was in opposition to the government.

I say to the electorate, to the people of Canada and to every hon. member in the house that this is a very negative approach to politics. I suggest there is a need for an opposition. We need at least two parties so that we can file down the legislation which we present, or which we intend to present, and make it work for the good of the whole country. No such policy of pure opposition can do that.

I believe there are hon. members opposite who have a contribution to make. I think there are hon. members in all four parties who have a contribution to make. I want them to have an opportunity to make it and when they make that contribution I will vote for it. I am no narrow party man. I was not born a Tory. I was born a Canadian and it is from reading the history of our country and this party that I still stand on this side of the house and give my allegiance to our great leader and the party he leads. When this party fails to run the country the way it should, I will cross the floor of the house and I will sit

alone because at the present time I see no alternative to the leadership or to the policies of this party which I support.

Mr. Byrne: That is a hopeless outlook.

Mr. Bigg: With regard to the Social Credit party which has returned to the corner of the house, what do they offer and what can we expect them to offer as long as this parliament sits? They are going to criticize our monetary policy. They think we can live like an island in the western world with new, phony monetary policies. We know we cannot. Our monetary policies are not perfect; our capitalistic system is not perfect. But it has produced the finest opportunity for ordinary, working Canadian boys or girls to develop their own personality and to make their own way in the world. I see no alternative to this.

I am surprised to see a great party, such as was the Liberal party when led by Gladstone in England and Laurier in Canada, descend to any kind of a working agreement with avowed socialists. I am, most seriously surprised, ladies and gentlemen, because—

Mr. Habel: "Mr. Speaker".

Mr. Bigg: I am, most seriously surprised, Mr. Speaker, because it does not offer me free choice with my time and talents. If hon. members do not think that socialism is nothing but a white horse of Troy and inside are red soldiers, read your history. Read the past and present history of socialism and then ask these people in the corner what they intend to do from here on in.

I wish their leader were here to answer this question. I wish he were here to tell me whether he adheres to the same old avowed stand of the socialists in Canada. I refer hon. members back to that great spiritual leader of theirs, Mr. Woodsworth—and this has never been refuted or denied—when he was asked whether force would be necessary. He said, "I hope not, but it may well be necessary". If any hon. members in the corner of the chamber want the quotation, I have it here and I can give them the date, time and place. It was in this house. However, I have not the time to give it now; I have some things to say which are even more positive than the things I have said already. But those words are there.

Therefore I say that we want something besides mere criticism from those hon. members or I will never cross the floor of the house to sit with them; that is quite certain. I do not have to. But I promise those hon. members that I will, if they can come up with a better program, better leadership and better service to the Canadian people. If they can do that, I will join them, when I have lost confidence in this government—which I have not. Then I will sit alone in this house, and I believe that as long as I take this stand, as long as I am at least one of those people who came here to do a positive job, I will be here until I am ready to retire.

Have we a positive program? We have. What is this positive program? It is a go-ahead program along the same lines as we have had in the last five years. I speak principally of agriculture because this is a matter about which I know something. I suggest hon. members in this house would do better if they talked about matters they knew something about. If you do not know anything about farming, keep quiet about it. I know that is why some hon. members opposite have kept quiet in recent days, because they have no agricultural policy and they have never had one satisfactory to the people of Canada. They are strangely silent about this fact. But the farmers of Canada know they have never had the attention paid to their problems that they have received from this government. We have given that attention to their problems. It is suggested that we have overdone it, but I do not think we have.

There are many small farmers, family farmers in Canada today who have new hope. They have not a cinch. You still have to work on the farm; you still have to milk the cows, raise the pigs and bring in the crops—and they know it. We are not offering these people something for nothing, and they know it. We are offering them hope for some kind of square deal. Western Canada is getting on its feet—I can assure hon. members that it is—and we are proud of that record. If eastern farmers are not as much ahead as they should be, I for one will do all I can to give them the same deal as the western farmers, and a better deal if it is needed. I do not think we have done everything for the farmers of Canada that could be done, but we are going to do as much as we can.

I can go through my campaign speech. It consisted of one sheet of paper. That was because I come from a farming district where agriculture is the lifeblood of the people. I campaigned from one sheet, the promises of our Prime Minister (Mr. Diefenbaker)—that no longer would the farmers of Canada be the orphans of this country; that we would try to give them a fair share of the national income.

You can take figures and juggle them; you can make them prove anything you like. I am not going to talk about figures; I am going to talk about human values. The small farmer of western Canada today is not ashamed to hand his farm over to his son. Four years ago you could have bought land from one end of

this country to the other; they were glad to let you take it. Today, try and get them off the farm.

The answer is there. Their sons are coming home from the oil fields, the bonanzas and the gold creeks and want to stay home with dad. They want to take advantage of our agricultural policies. Today a young man in western Canada can stay on the farm and make a living. We are going to see that we do all we can to make that living even better. We are proud of selling their wheat; we are proud of giving them stabilized prices, and we are going to do more and more to improve world markets.

I am not afraid to criticize this government at any time. As I have said, if they do not do the things I want them to do, I let them know it. They will tell you that. I have been in the Prime Minister's office and have spoken to him about things of which I did not approve. Yes, little, human errors, creep in. What kind of a reception did I get? Was I pushed out? No, I was listened to. On one or two occasions I think I had something to offer, and my suggestions were acted upon.

I am not going to bore hon. members with repeating them today, but the people of western Canada know; the small farmer in my district knows, and he is going to keep on sending me back here just as long as I give him this kind of service. These people are not going to turn me out for any member of any one of the other three parties until they can come up with something different. They are not going to get me out by slurring my personal character, and attempts were made to do this. They are not going to get me out by slurring the Prime Minister's character, and those attempts were made. They are not going to get me out by slurring the Conservative party, because the people of Canada know we are the only party offering a positive program for agriculture. They may be disappointed that we did not give them perfection or a bonanza. There is no such thing. There is no short cut to a higher standard of living and security. It takes hard work. You cannot do it by turning a crank; you cannot do it by taxing the rich. We can only do it by each and every one of us getting back to good, hard work.

We have an unemployment problem and there is a great onus upon this government, as there is on all governments, to find employment for every man and woman in Canada who wants to work. I suggest that today we have been lax. We have been too paternal. We have legislated people into idleness. One of our main jobs—and here I am throwing the ball right to our own quarterback and his team in front of us—is to do something to avoid legislating people into idleness.

Let us take the Unemployment Insurance Act and look at it again. Let us make it an insurance act, and not a welfare fund. Where welfare is needed, let us have it; but let us not legislate people into idleness. How are we going to do it? I can suggest one or two improvements. Let us make it an incentive to stay at work. Let us make a man's contribution less if he is not always dipping into the fund. Let us make it tough to draw on the fund for those who are just milking the people of Canada and lying down on the job. We are going to tackle that problem. We are going to do what we can.

The next thing is, what can business do to employ more people? They can become more efficient. They can show leadership in this matter. Again I throw the ball to the government and say, give incentives to small business, to medium business and even to big business to encourage better production in Canada.

How are we going to do this? I am not an expert on taxes. I know that we have to raise taxes and raise incentives. But I suggest that the tax structure of the country could be tailored to encourage Canadian investment in Canadian companies, and to encourage our own businesses to improve production and put more Canadians to work. I think this should be encouraged by tax concessions. I suggest that if this is done and if the tax concessions which we give lead to investment in our own factories, and in turn provide jobs, it will all come back on the payrolls.

I will have to hand this to the opposition. I do not usually give them many compliments, but after the war they did send the veterans back to school; and I am sure that if you were to look at the records of those veterans, they paid back in income tax over and over again the very cost of this schooling. I suggest that we take a page out of their book and give tax concessions and tax incentives to the young businesses of Canada, the growing baby industries, and give them a chance to get on their feet. In this way, when they are employing more Canadians and making more money, the country will get it back, and the Minister of National Revenue (Mr. Flemming) and the Minister of Finance (Mr. Nowlan) will see that it has been a good investment.

Hon. members ask us to take bold steps. Well, they are the members of this house. When we take bold steps, they must have the courage to be Canadians first and Liberals, Social Crediters or N.D.P.'s second, and vote for these bold steps. I promise them today that I will do this thing. When my leader and his cabinet are bold, I am right in there for

them. I know sometimes these bold steps are gambles. If you build railroads into the north, if you build a trans-Canada highway through the northern part of the country, and take a chance that Canada will really be as wide as she is long, this takes foresight and vision, and it is partly a gamble. It cannot be done by a minority government alone; it would require statesmanship from everyone in this house. I pledge myself to do this. I promise hon. members that I will do it, and I expect them to do it. I am not cynical in politics.

I know that the great Liberal party has been a great Liberal party in the past, and I want it to be a great Liberal party in the future. To the Social Crediters I say this. If they are really Conservatives, as they say they are on the hustings, then join our party and be Conservatives. I ask them to forget the "funny money" policies which they know cannot work in the present structure of our country's economy. But they sit in the corner in smug complacency and know that they can criticize without fear, that they can never form a government but will sit here as long as they like and take advantage of the Conservative leadership in our country. If they are Conservatives let them be Conservatives, cut out the "funny money" policies and stand with us, if we ask them to, on principle.

It is a strange thing for me to sit in this house and listen to members of the "junker class" voting socialist. For what? Nobody can believe but that it is for pure political advantage of the day. I suggest that political advantage of the day will not last long, and the eggs you hatch may pick your carcass. Think that one over. They are strange bedfellows, the industrial leaders of our country and the gentlemen on my right, the socialists.

It is also strange to hear the policies put forward by our party criticized by those who have no such policies of their own. It is strange to hear about fears being spread across the world about our loyalty to the British crown. By whom? By those who in 1938 refused to allow empire airfields; by those who allowed only the volunteers of Canada to risk their lives and shed their blood. I was one of them. Do not talk about solidarity of the empire unless you are willing to stand alongside the flag under which I served; and until we get another one, one which is recognized in solemn parliament assembled, the red ensign is good enough for me. We buried my pals in it in the last war. We buried my uncles and my friends of another generation in another war. It is an honoured flag, and though we may not agree with the design of a new flag, the design is not all for which the flag stands. The flag is a symbol of our purpose in sacrifice and loyalty. It is red bunting which has been nobly served, and the sacrifices have been great. Until this parliament decides that that flag should be changed, I will be ready again to stand alongside it and give it anything which is needed.

How about others? Let us have no hypocrisy. Let us have no maudlin sentiments spelled out for political reasons. I will go further and say that whatever the flag is, let it be quartered with the fleur-de-lis, the sheaves of Saskatchewan, the fish of the maritimes or the timber of British Columbia. I do not say that I do not care what that flag is, but I do say that if this parliament, or the next parliament, or any parliament of Canada, ratifies that flag as a symbol of unity and service, I will be there to serve it whenever I am needed. And I will writhe in my seat when I think that anybody is using our flag as a spade or a club of disunity.

People out west where I come from know this. They know that I will never use it as a dividing line.

The promises that we have made in the past we have kept. The promises we make now in the throne speech hon. members can be assured will be kept. We cannot offer an easy way out, but we can offer hard work and a square deal.

(Translation):

Hon. Paul Martin (Essex East): Mr. Speaker, first of all may I be allowed to offer you my warmest congratulations on your appointment as Speaker of this house. I know that you will be the guardian of the rights and of the prerogatives of each and everyone of us in this house and that you will watch over the dignity of our debates.

Impartiality, patience and good will are the qualities required of a good Speaker. I am sure that you will show, to a high degree, those qualities by which your predecessors have deserved the commendation and the admiration of all.

(Text):

I should also like to congratulate the chairman of committees on his nomination, and to offer my congratulations to the mover and the seconder of the speech from the throne for the very creditable way in which they performed their tasks.

And now, Mr. Speaker, I hope that no one who follows me, particularly from the far corner of the house, will complain if in what I have to say today I do not preface my observations by agreeing with them that we are faced as a country in our contemporary world with some very serious problems involving peace or war. But under our rules we are limited to 30 minutes at this particular juncture in our proceedings. Accordingly we have to allocate our time in order to observe the rule of relevancy and deal with matters im-

mediately before us. But I take it there will be an opportunity, and I hope it will be soon, when we can discuss important aspects of the government's foreign policy and when we can take up some of the observations made, notably by the Secretary of State for External Affairs (Mr. Green). At the moment, however, we are dealing with an amendment moved by the hon. member for Inverness-Richmond (Mr. MacEachen) on Friday last in a memorable speech. I should like to recall to the house the wording of that amendment. It strikes at the very fundamentals of parliament, an institution which the hon. member who preceded me said now stood in jeopardy in this country. The terms of the amendment read as follows:

> We respectfully submit to Your Excellency that the failure of Your Excellency's advisers to place before this house at the earliest opportunity a measure to approve the collection of taxes which have been imposed by order in council, as part of the austerity program, denies to this house the exclusive constitutional right to approve the imposition of additional taxation which is the foundation of our system of responsible government.

That is an amendment of the greatest importance. It is one that must be observed in its implications if we are to support the view that parliament indeed is an important institution in our national life, and that we must take every step to see that its strength and its integrity are protected. In this amendment the hon. member for Inverness-Richmond has done that. To any hon. member of this house who is disposed to vote against this amendment I suggest that a vote against the amendment will be a vote in favour of the government's austerity program which was brought about, not by a decision of this parliament but by process of an order in council.

The Minister of Justice (Mr. Fleming), who is the former minister of finance, this morning asserted that the government's austerity program had a legal basis. He did not offer any proof for that statement. He simply said that he had consulted with the law officers of the crown and that the three aspects of the government's austerity program met the requirements of the law as interpreted by the law officers of the crown. I wish to submit first of all to you, Mr. Speaker and to the house, that there is a contrary view.

What I wish to say today will be divided under two headings. First of all I question the legality of the government's austerity program under the two acts mentioned by the Minister of Justice this morning. Not only do I question the legality of a policy based on those acts but I say that, whether they were legal or not, under our constitutional practice there was an obligation on the government to come here at the earliest possible moment and

obtain from this parliament either rejection of the policy on which it had embarked or ratification of it.

First, as to the legality, may I say this. There can be no doubt that the argument by assertion made this morning by the Minister of Justice with regard to the incidents of 1947 does not in any way bolster the case which he sought to make. I say that section 4(1) of the Customs Tariff and section 22 of the Financial Administration Act do not contain authority from parliament to the governor in council enabling the governor in council to make the two orders which make up the surcharge on imports order. The Minister of Justice did not even allow for the possibility of difference of opinion in this regard. In that modest, humane way of his he simply said, "There is no doubt about the legality of what the government has done, take it from me". The minister of finance of another day, the present Minister of Justice, said, "Accept my word that there is no doubt about the legal basis of the action the government has taken".

Hon. members should recall that while parliament has delegated to the governor in council authority to reduce or to eliminate taxes under prescribed conditions, parliament has, by and large, retained unto itself the power to impose taxes. It must also be borne in mind that the Minister of Finance has the responsibility to parliament in the matter of raising or lowering the incidence of taxation; and the means by which this is done, Mr. Speaker, as you so well know, is a budget.

The Customs Tariff, I argue, is in no way concerned with Canada's balance of payments, notwithstanding the fact that it may contribute to what that balance may be. In section 4(1) of the Customs Tariff, parliament has delegated to the governor in council certain powers necessary to promoting Canada's trade with other countries. Raising duties against all countries will not in any way promote trade. Moreover, the language of section 4(1), as I see it, makes clear that the country to which preferred rates are extended or from which preferred rates are withdrawn must, under that section, be specifically named. The words employed are "extend to any"—which means any one—"country" and "withdraw from any country or all countries". Also, the benefits are spoken of as having been extended to or withdrawn from, "such country", not "such country or countries". I therefore say that the exercise of the authority conferred by section 4(1) requires the naming of a country or countries. Hence if no country is named, that section 4(1) does not give the sanction of parliament for the action taken.

I ask the Minister of Justice to produce, as indeed his leader asked the minister of finance of the day in 1947, the opinion of the law officers of the crown which states that section 4(1) gives this government the authority to impose surcharges as it did when parliament was not in session and when indeed as the government of this country it occupied an extremely tenuous position with only a minority support in this house.

With regard to section 22 of the other act, namely the Financial Administration Act, on which the minister and the government base their case, may I observe that the statute was enacted by parliament in order to give authority to the governor in council to deal with a comparatively few special cases involving a comparatively few individual importers and a comparatively small range of imported goods for a comparatively few special purposes, as stated in the act. If parliament had intended to delegate broad powers of extensive application to customs duties on imported goods, it would have done so in the Customs Tariff and the Customs Act. However, that was not done.

So I say that section 22 of the Financial Administration Act, on which the government relies as one of the two supporting measures, was not intended by parliament to delegate to the governor in council authority over a large portion of the customs tariff involving a large range of goods and all importers of those goods in a single case, which is not essentially one of the customs tariff itself but is a case of balance of payments. This, in a general statement, is my answer to the alleged legality of the measures on which the government relies for the course it has taken in a matter so seriously affecting the economy of our country, because of the austerity program which it has seen fit to adopt to meet the emergency created by our balance of payments position.

Having said that the course taken by the government is illegal, I now address myself to the other ground in the amendment before us, namely, that parliament should have been called together at the earliest possible moment so that the government could have laid before the house its proposals for taxation, its proposals by way of an austerity program to meet the serious situation that arose out of our balance of payments position. The Minister of Justice (Mr. Fleming) says, compare what we did with what the minister of finance did in 1947. I do not want to base my case only on what was done, then, but I do now, because the Minister of Justice has invited it, want to compare in one very important respect the difference between what his government and he did and what Mr. Abbott did in 1947.

I have before me *Hansard* for December 16, 1947, page 359, and I wish to refer to an interjection by the then minister of finance explaining to the then hon. member for Calgary West what course the government was taking with regard to imposing taxes on the Canadian people. To hear the Minister of Justice one would think that what the Canadian government had done was to impose on the Canadian people taxation by radio and then to have come into the house later and have sought confirmation of that course. That is not what was done at all. There were three aspects in the emergency program of 1947. There was first of all the prohibition of imported goods from the United States. That did not involve any imposition of taxes. Second, there was the imposition of excise taxes and restrictions on the amount of money that tourists were allowed to expend in the United States when out of the country. The then minister of finance did not impose excise taxes by radio. Those taxes were imposed as part of the emergency program of that day as the result of a recommendation made by the minister of finance in this house. That is the difference. The minister of finance said at that time:

> I say I am not claiming the right to tax the Canadian people.

The Prime Minister cannot take that position today because he has taxed the Canadian people, and taxed them without first of all obtaining approval or receiving from this house the necessary parliamentary sanction. Mr. Abbott went on to say:

> It is nothing more than a notice that that tax will be imposed if parliament approves, and if parliament refuses to impose it nobody is under legal obligation to pay the tax today until parliament does approve. But I have notified the Canadian people, as is done when the budget resolutions are tabled, that I shall ask parliament to make this tax retroactive to the 17th day of November, when I gave the notice.

So I say to the Minister of Justice, there is no analogy in the two positions at all. If I had time I would remind the Prime Minister of what he said in that debate. I think perhaps what he did say is so relevant to the present situation that I should remind him of some things that he told the government of that day and which now have special relevancy to the very act about which we complain in this amendment. The Prime Minister said, as found on page 408 of *Hansard* for December 17, 1947:

> Did the law officers of the crown in any way advise that it was possible for a minister of the crown, two or three weeks before the opening of parliament, to impose taxation from that date? I say to my hon. friends in the government of this country, that by that action they committed a crime against constitutional government in this

country. And they wish us to act as rubberstamps and be accessories after the fact, by our vote now given, for conduct illegal to begin with.

Of course, as I have just indicated, his argument was faulty, but the recommendations that he made to the ministry apply to him today. We are not even rubberstamps. We are not given the opportunity of even passing on the illegal course which this government pursued in an unconstitutional way before parliament was called together on the 27th of September last. I will say for the record that no one has as commendable a record clearly establishing his love of parliament and all its institutions as the present Prime Minister, but I say to him with the greatest respect that since he became Prime Minister no one has initiated measures that are more inconsistent with this affection and this love of parliament than the right hon. gentleman himself. That is so at every turn. Here is what Mr. Abbott said as found on page 331 of *Hansard* for December 16, 1947:

> I consulted the law officers of the crown, the deputy minister of justice, and I was advised that under the Foreign Exchange Control Act the governor in council had power to designate the currencies which could be used for imports and that that act was available for the purpose of imposing such restrictions. As I said a moment ago, it was never believed that the act contained those powers, and certainly the foreign exchange control board never had those powers and never wanted to have them.

But when it came to the matter of taxes, and hon. members will want to look at the exact provisions as contained in *Hansard*, they will find that on December 19, 1947, as found on page 535 of *Hansard*, Mr. Abbott moved certain amendments to the Excise Tax Act. These were debated by parliament. Many hon. gentlemen opposed those taxes. Parliament, however, approved of the government's policy and the imposition was made retroactive to November 17. Is the record not clear then that the government did no more than announce taxes outside of this house? There was an emergency. There was no other course open to the government at that time than the action taken by the then minister of finance. But at the earliest possible moment he came into this house and asked parliament to observe its traditional practice of giving its sanction to a proposal that would involve further taxes on the Canadian people.

That is the point. That is the point at issue in this amendment. That is the reason for the particular provision in the bill of rights to which the hon. member for Inverness-Richmond (Mr. MacEachen) called our attention on Friday last. That is implicit in the bill of rights passed in this house at the instance of the right hon. gentleman two years ago and now so flagrantly being flouted and violated by him in this particular instance. We say that parliament is a valuable institution. I certainly believe it is. I have spent more than 27 years in this house and I believe in this institution. But I know of no incident in the history of our country where parliament's rights have been more seriously violated—

Some hon. Members: Oh, oh.

Mr. Bell (Saint John-Albert): The pipe line.

Mr. Martin (Essex East): —than in this particular form of taxation involving over $200 million by way of additional taxes imposed as the result of executive action without first of all having received the prior approval of parliament. This is bad in itself; this is wrong in every way. But in spite of this amendment, in spite of the speech of the Leader of the Opposition (Mr. Pearson) and others who have complained about the failure of the government to take parliament into its confidence at the earliest possible moment, even now we are not given any assurance by members sitting in the ministry that before this session has terminated they will have placed before us their program of taxation. Surely, we are not going to be denied this.

There are five ministers sitting in this house now. The leader of the house has just entered. They can tell us now whether or not parliament is going to be given the opportunity of passing on this particular program of taxes imposed on the Canadian people as part of the government's austerity program. I say to hon. gentlemen sitting at the extreme left on this side of the house, that they have been properly critical of the government's austerity program. They have said, through one of their leaders, that they will not stand for a program of austerity; that they believe such a program of a non-expansionist character is not in the interest of the economic welfare of Canadians at this time. I repeat that by voting against this amendment they are voting for this program of austerity. They are also denying to themselves and to other hon. members, the opportunity of passing judgment on the merits of these proposals.

It is not only that the government has acted illegally, it is not only that the government has not taken parliament into its confidence on a matter of vital concern to this house, it is something that goes even deeper than that, something that is involved in the historic conflict, over the centuries, between the crown and parliament. I refer to the right that was finally established, that of the House of Commons to assert authority over the government of the day in the matter of imposing taxes on the people who are subject to the direction and to the laws of parliament. This is what

is involved. Are we going to take the position that, notwithstanding the violation of this principle, something for which our ancestors have fought, we are not going to allow ourselves to be inconvenienced because of what might eventuate if we were to condemn the government by supporting this particular amendment? Of course it would be inconvenient. Of course the nation would have a period of suspense. However, I would much prefer to see this period of suspense than to allow this government to get away with having violated the fundamental principle which is involved, the purpose for which the institution of parliament has been created.

I could very well understand if I felt that Mussolini and Hitler were men to be idolized, I would not take this position. But I do not take that position. I believe that, unlike their treatment of the deliberative assembly, the right of the people to assert their final and ultimate authority in the matter of the dispensation of public funds is an inalienable right and must be preserved, recognized and cherished in any free country. We will regret the day if this government does not bring forward its program, if we are not given an opportunity to pass on this program, as the government of the day did in 1947 with regard to the particular suggestions for the imposition of taxation in 1947. Not only has this government failed to take parliament into account with regard to this particular matter upon which I have been dwelling, but the Prime Minister went further.

It is true that there was no legal way by which his actions could be arrested. As a result of the election of June 18, the Prime Minister no longer commanded a majority of this house. Notwithstanding that, although it involved a matter that might affect the character of the economic life of the western world for many years to come, the Prime Minister of this country not only failed to take into account the interest of the Canadian people in this problem but he went to the prime ministers conference and took an important position with regard to the common market and all that implies in terms of the economic welfare of the west, perhaps the peace of the world. He asserted, on his own, what the position of Canada should be. I say parliament has been flouted by the Prime Minister and by his government by his failure to bring these tax proposals to parliament, by the failure to call parliament together at the earliest possible moment, by the failure to call parliament together before he went to the prime ministers' conference.

I say what authority, under our parliamentary system, did the Prime Minister of a minority government have to go to a prime ministers' conference and say, without some direction by this house, what course this country should pursue in a matter of such fundamental importance? We may not be able to impress every member in this house, Mr. Speaker, with the validity of the claim that is made in the amendment presented. I still hope that every hon. member in the opposition, regardless of party, will condemn this government for the reasons I have stated. During this debate every opposition party has expressed agreement on the immoral position of this government because it did not disclose during the election, the true financial situation that confronted Canada, on the constitutional requirement of parliament being taken into the confidence of the government at the earliest possible moment, and the obligation of a prime minister to consult with parliament before going to the prime ministers conference. For these reasons, let us uphold the dignity of this parliament and defeat this government.

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, as I rise to speak for the first time in this house I do so with a deep sense of humility. Having been accorded such a privilege by the electors of Portage-Neepawa, I feel very honoured indeed.

First of all, I must mention the growing admiration which is steadily being accorded to you, Mr. Speaker, as we observe your sagacious discharge of the duties of your difficult office. May I give a further salute to our Deputy Speaker, not only for the capable manner in which he is filling that office but because, of course, he is a fellow Manitoban. I need only mention that I am happy to endorse the tributes already paid to the mover and seconder of the address in reply to the speech from the throne for their very creditable performances a few days ago.

No one can deny that the ceremonial opening, with all its pageantry and emphasis on traditions, is the kind of spectacle that is unequalled in Canada. From the 21 gun salute as the horsedrawn carriage brings the Governor General to parliament hill, and his inspection of the impeccable guard of honour, to the taking of his place in the Senate chamber and delivering the traditional speech from the throne thereby introducing measures of legislation to be considered during the session, one cannot but be impressed. I for one rate the fact that I have been part of the opening of this first session of the 25th parliament as among the most significant events of my lifetime. There is inherent in such an event a profound sense of history.

As I observed the close attention paid to tradition in the carrying out of the business in this house I began to wonder why there could not be the same respect for a high level of

conduct and speech in this chamber. Having witnessed the ceremonial opening one hardly expects to hear remarks from hon. members opposite more fitting for school boys on street corners than those attributable to the distinguished parliamentarians we might be. If it is a mark of distinction to be elected to the House of Commons, why are some hon. members not constrained to speak at all times with that kind of distinction this high office demands. If we believe in free speech and the democratic process of government why are some hon. members so virulent in their criticism? And if by this democratic process a prime minister is elected, why cannot this highest of positions in the realm be accorded the respect, the dignity and decorum which has befallen only 13 men since confederation. No matter by what minority the Conservatives now form the government it should be remembered that the Right Hon. J. G. Diefenbaker held the office in an earlier parliament with a majority never before equalled in history.

I quote from the September 22 issue of the daily *Packet and Times*:

> Whatever his limitations, and they are not nearly so marked as his critics would have us believe, history will show Mr. Diefenbaker to have been one of this young nation's ablest leaders. He took office at a time when the Liberals openly admitted they were pleased to get out from under, at a time of apparent economic crisis. His government has introduced a host of measures which have improved the condition of most Canadians, and when the economy was again threatened, he did not hesitate to adopt measures which are proving themselves completely successful. On his record he merits the respect of Canadians of all political persuasions. The bitter and unwarranted campaign of hatred and ridicule to which he is currently being subjected does not reflect credit on many of Canada's political commentators.

I am certain that the residents of Portage-Neepawa and Canadians generally have received with favour and wide acceptance the proposed legislation contained in the speech from the throne. I am proud to sit with a government that in the throne speech has offered to introduce measures to create more jobs, to stimulate trade, to give greater advances to agriculture, to initiate economic planning and tax reform, to create a national power grid, to encourage action on a national flag, to initiate tax reform and the rest.

Mr. Speaker, I feel proud to be in such very distinguished company. As I have observed the Prime Minister, the ministers of the crown and the manner in which they carry out their responsibility of office, I feel proud to be associated with them.

My constituency of Portage-Neepawa has the signal distinction of being one of only 13 constituencies throughout this great nation that has been represented in this house by a prime minister. Because of this, the residents of Portage-Neepawa are cognizant of their place in history. I refer, of course, to the fact that the late Right Hon. Arthur Meighen was elected to the House of Commons in 1908 by this constituency, which seat he held until the general election of 1921 and regained in 1925. In the various portfolios he held in the cabinet he was prominently identified with many important measures of national significance. You will understand, therefore, that I felt highly privileged indeed that in this auspicious parliament I should have the honour to represent such an historic seat.

In my first speech in the House of Commons I mentioned that a reading of *Hansard* would indicate that this riding has on numerous occasions been well described to this house. I will therefore forgo a traditional practice of giving some details of my riding except to remind the house that the city of Portage la Prairie is the hub of the finest agricultural areas in the plains; that the town of Neepawa as well as Carberry and McCreary and all the communities in that riding, and especially Kirkfield Park a suburb of Winnipeg, are most progressive communities. This area has produced in more recent times a long time premier of Manitoba, the Hon. D. L. Campbell, a chief justice for the province of Manitoba in the person of the Hon. Mr. Justice C. C. Miller, and in their turn a series of cabinet ministers for the provincial legislature. Presently the Hon. John Christianson of Portage la Prairie is very ably manning the portfolio of Manitoba's first minister of welfare.

The previous member for Portage-Neepawa was Dr. George C. Fairfield who so successfully represented this seat in the 1957 and 1958 elections. In 1958 he won this seat by the greatest majority ever polled by any member in this riding. Many of my colleagues have inquired about him. I have assured them that he will be following the outcome of this session with keen interest.

As I mentioned earlier, the residents of this constituency are progressive folk with high purpose in their actions and expressions. They are responsible, and mindful of their civic duties; they are above all good Canadians. These are people who hold high expectations from this 25th parliament. I am quite certain that my constituents, no matter what their political persuasion, do not want to see another election at this time. They would show great impatience at the continuation of hon. members who gnaw doggedly at the same bare bone of contention. The possibility of several provincial elections being held in the next few months added to the fact that no new alternatives since the June 18 election to the present government are arising, is further argument against a hasty return to the country.

The government is repeatedly being reminded of the "rights of parliament". Hon. members opposite are accusing us of proceeding in haste on certain measures and taking steps that are altogether unconstitutional—they say. We keep hearing that the time has come when the Conservative government should have regard to the people's wishes; there should be an immediate election, is the cry.

I have stated that members of parliament on both sides of this house should be reminded that the people have spoken. They have said we are the government and Mr. Diefenbaker is the Prime Minister. This debate is becoming tedious because of the repetition of the same remarks uttered by the Leader of the Opposition (Mr. Pearson) as well as by many of his followers. Congratulations of hon. gentlemen on this side of the house are due however to the Leader of the Opposition by reason of the very manifest evidence of the determination on the part of his followers to show fidelity to his leadership, evidence that came frequently to our ears in the way of applause and which was all the more pronounced and impressive when we recall the long succession of platitudes that evoked that applause.

The speech from the throne contains many measures that, when implemented, will add to the very real dimension of progress of our nation. Surely the members opposite can see some considerable merit in each of the numerous proposals in this speech; or is it, Mr. Speaker, that none of them can be persuaded by reason?

Many of the proposed measures in the speech from the throne have already been put forward by ministers of the crown and other colleagues and I feel well advised to leave further debate to my more experienced colleagues. I wish to remind hon. members of a most reliable yardstick or measure that should once and for all cause all this talk of austerity to cease. This measure, I suggest, is tourism of Canada. Surely if there were any real austerity in this country, tourism in this summer of 1962 should have shown a severe decline. Instead, what do we see? We see a marked increase, an increase well in line with the growth in the previous five years, to the extent that in some areas it has become a major industry. I ask hon. members, would this be the case if there were real austerity?

There has also been much criticism of the Prime Minister's stand on the commonwealth. I feel that the world needs more of the spirit of the commonwealth unless peace in the world is to depend on the balance of terror. The commonwealth exists, for the help of its members and as an encouragement to all who want political freedom and friendship with their fellow men. This spirit has been fostered by our Prime Minister at all times.

Mr. Speaker, if each one of us puts forth that kind of effort that has as its goal the best interest of our nation, then in spite of a rather delicate balance of power, in spite of pressing and serious problems not only within the country but throughout the world, we could come through this period and history would record some of the best legislation ever produced in this house.

Quoting from an article in *Canadian Business*, the September issue, page 14, I read:

> Barring unforeseen eventualities there is no reason to expect an election before 1964.

Just because we have become accustomed to house majorities in recent years is no reason why this need continue. A review of the record would show that this situation is far from normal in this country or in other countries. I need only quickly refer to Australia or to some of the European countries.

In the past there were times when the governing party ruled with a small margin over the opposition. These governments were by no means weak and indecisive by reason of their lack of overall majority. Crises of some magnitude were surmounted then, and there is no reason why the present government cannot do the same now.

I am confident that we as Canadians have a prosperous future before us and that full employment will go hand in hand with increased prosperity. In conclusion, Mr. Speaker, I would submit it is vitally important that parliament continue without further interruption so that effective and much needed legislation as outlined in the speech from the throne can be implemented.

(Translation):

Mr. J. C. Cantin (Quebec South): Mr. Speaker, I am truly moved in speaking before the house for the first time.

First of all, I wish to congratulate you on your unanimous election to your present office. I have no doubt that, thanks to your fairness, the house will smoothly expedite its business and that each member will be treated by you as fairly as he expects.

Mr. Speaker, I wish also to join with the other members who spoke before me in congratulating the mover (Mr. Chaplin) and the seconder (Mr. Vincent) of the speech from the throne for their remarkable speeches.

Indeed, it is not an easy job to present so splendidly the policy of the present minority government, a policy which has been condemned last June by the great majority of the Canadian people. Both members deserve even greater congratulations for their feat.

Mr. Speaker, may I call it six o'clock?

(Text):

An hon. Member: Agreed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

(Translation):

Mr. Cantin: Mr. Speaker, at the outset, it gives me pleasure to thank and congratulate the national leader of the Liberal party (Mr. Pearson) for the message of hope he addressed to the Canadian people in his speech during the debate on the address in reply to the speech from the throne.

Never in our history has a Leader of the Opposition been so endowed with so many qualities that would make him an ideal prime minister. His objective criticism of the policies of a minority government is only equalled by the positive value of his views on national and international politics.

He combines the wisdom of the ancients and the vitality of contemporary statesmen. This man is the living symbol of the international brotherhood for which he has rightly deserved the Nobel peace prize.

I am especially proud, thanks to the voters of my riding of Quebec South, to serve my country under the guidance of such a leader, in whom a future great prime minister is already recognized. His influence which spreads throughout the world, will serve the internal as well as external interests of our country.

Mr. Speaker, since my arrival in the national capital, I felt sometimes like a rescued person. On the electoral map, you will find my riding in the centre of that eastern region of the province of Quebec, which experienced a western wind last June; however it is a wind that dies down very fast. Let us wait for a little while yet and this little storm will hardly deserve the name of "Socred".

Mr. Speaker, my riding's history is as old as that of Canada. Old Quebec expounds its history at every step, from the recollections of the foundation of Champlain's city, through those of French colonization, to the English conquest. In order to survive, the French Canadian became a nationalist for fear of English assimilation; and, in order to survive also the English Canadian became a nationalist for fear of U.S. assimilation.

Then, North America witnessed the faithfulness of the French Canadian people toward their one and only country, Canada, at the time of the American war of independence.

Without that loyalty of our ancestors, today Canada would form as many U.S. states as there are provinces. History had seen that conquerors and the conquered be united by a common interest. Then, there was the Act of Union and the confederation act, giving all Canadians a framework to attempt the development of a common ideal. Unfortunately, it seems we have not gone any further, or at least our progress has been very slow, because our pursuit of national unity has often been misunderstood.

At the time of the invasion of Paris, a French lady stood on the sidewalk watching the German troops marching down the Champs Elysees. One of the soldiers shouted at her: "Do you not hate us Germans?" The lady replied: "You are wrong, soldier. We love Beethoven."

In Quebec, one has sometimes the feeling of having been left on the sidewalk, each time the Conservative party has been in power. To give a recent example, last June, right in the middle of the election campaign, Mr. Guy Hudon and Dr. Forsey, two eminent Canadian citizens whose political affiliations are well known, created quite a stir when they resigned from the board of broadcast governors in protest against the injustice this agency, established by the Conservative government, was about to commit towards the population of Quebec by denying the C.B.C. the right to open a French T.V. station in our area.

A few days ago, Mr. Speaker, when I asked the Secretary of State (Mr. Halpenny) what was the government's decision in this regard, the answer was that none had been taken.

I would have liked the Secretary of State to reassure our people by telling them that this permit would be issued to none but the C.B.C., and on the other hand, I would have understood that the austerity program established by the present minority government perhaps did not allow them to provide immediately for the establishment of that station.

And then, what will happen if, because of this austerity program, the C.B.C. does not renew its application to the board of governors? Will the latter feel justified in recommending to the government to grant the only available licence to another applicant whose alarming shadow haunts the halls of this parliament?

And I wonder why our region still has to maintain a state of alarm on that matter, when 102 public organizations intervened to

support the application of the C.B.C. to the board of governors, when it is not only normal but in the national interest that the only French capital in America be at last provided with a French state-owned television station.

Besides, the evidence collected by the board of broadcast governors during its public investigation proves without a doubt that such a station would be a great asset to the cultural life of our country. How much longer will the government defer its reply?

Mr. Speaker, in 1958, my province had placed great confidence in the Conservative party by electing a great number of its members, that is more than 50. In 1962, there are only a few left—14 exactly. In the province of Quebec alone, the Conservative party lost 285,000 votes in the last election. Therefore, the notorious unpopularity of the Conservative party made possible the election of several Social Crediters in eastern Quebec.

In my opinion, that is the main cause of that party's partial success in the last election.

An hon. Member: What about yours?

Mr. Cantin: But make no mistake. Quebec has in no way voted or approved the confused and utopian economic philosophy of that party. The hon. member for Quebec-Montmorency (Mr. Marcoux) admitted in this house—

An hon. Member: They are the only angry men.

Mr. Cantin: —that his constituents liked to change their member once in a while, and I truly believe that the present member would be quite acceptable if it were not for the fantastic monetary theories he advocates. Quebec has too much confidence in its institutions, its trade unions, its credit unions, its co-operatives—

An hon. Member: Its chartered banks.

Mr. Cantin: Yes, its banks, its insurance companies, its industries, and its business community to risk undermining their foundations through the establishment of a regime which is only clever as far as the mind that created it was, and as far as it succeeded in deceiving some part of our population with its repetitions, its redundancies, its arguments based on approximations and unrealistic undertakings.

Mr. Speaker, in Quebec—

An hon. Member: Hurrah for taxes.

Mr. Cantin: It is only a matter of resuming the dialogue first engaged by Cartier, Macdonald, continued by Laurier, resumed by Lapointe, Cardin and Power and, nearer to us, by St. Laurent, and today by Lester B. Pearson and Lionel Chevrier.

Mr. Pigeon: And Maurice Sauve.

Mr. Cantin: And through this dialogue, Mr. Speaker, it is necessary to teach the development and the exercise of a national spirit. A great Frenchman, General Lyautey, said: "I am national-minded, not a nationalist." Nationalism is a doctrine that divides while national-mindedness is a fact, a source not of civil war but of union.

An hon. Member: L'Union Nationale.

Mr. Cantin: Furthermore, he who is national-minded by instinct never fears that he will not look like a nationalist.

The practice of bilingualism, the confirmation of our civil and constitutional rights, the search, by one or the other of our groups, for economic freedom, are, in brief, only so many manifestations of that same national spirit, and the pursuit of those objectives will help us realize our common ideal, which is national unity in the best interest of an economically strong Canada.

(Text):

What is the Liberal program on national unity?

Strengthening national unity and fostering national purposes are the constant aims of the Liberal policies.

French speaking Canadians must have the fullest opportunity to share completely in every phase of our national growth. Both English and French must feel that they are able to work out their special destinies inside confederation, through a full partnership that is appreciated by both, as a national asset and not an imposed requirement.

There should be scrupulous acceptance of the full equality of French and English language and culture, which should find expression in such things as documents issued by the federal government. These are, however, only the evidence of a partnership which must be instinctive and inviolable, something of the spirit, rather than documents and words.

On the basis of this partnership of English and French, Canadians of other origins must be brought fully into the common national life, not through assimilation but through integration.

Liberal policies seek to develop our homeland as the common heritage of all Canadians, new and old, and to achieve equality of opportunity for all Canadians regardless of their origin, their language or the region of Canada in which they live.

(Translation):

Mr. Speaker, if I did not believe in the possibility of seeing the two great intellectual families in this country united in a single common effort to build together a Canada stronger for being served by two great civilizations, I would have declined the honour of serving it in this parliament.

In this Telstar age, when man has found this marvellous means of being seen and heard simultaneously and instantaneously in all parts of our globe, at a time when those who had been enemies for centuries unite to open up their frontiers to common markets, at a time when people and nations gain their freedom, at this historical hour when we have begun the conquest of space, we are no more entitled to picayune behaviour, and it is our duty to be ourselves while respecting others. That is the ideal set by the Liberal party in order to accomplish national unity.

The Quebec area, Mr. Speaker, expects a great deal of the Liberal party, and it will not be disappointed.

If, inside its ancient walls, the old city of Quebec needs restoring, certain sections, decayed and devoid of historical interest, would have to be cleared of slums, as is sadly evidenced by the Martin report. However, the present facilities of the act remain too heavy to allow the city of Quebec to continue this radical transformation. With due respect to constitutional rights, our party, as soon as it comes to power, intends to amend the act as it now stands in the following manner:

For the slum clearing stage, the federal aid to municipalities will be increased from 50 to 75 per cent.

For the reconstruction stage, the federal assistance will remain at 75 per cent of the cost, but will be extended in the same proportion as the cost of establishment of public services, such as waterworks and sewer projects, street reconstruction, and other services to which the federal government does not at present contribute.

Besides this new form of assistance, the Liberal party will set up, with the help of the provinces, a municipal loan fund for the development of municipal services. Having been a mayor for nearly 12 years, I am in a position to state that our municipalities, especially in the Quebec suburbs cannot implement essential projects for lack of capital.

These initiatives on the part of the Liberal party, in addition to others mentioned in its dynamic program which is constantly brought up to date, will open an era of prosperity which all Canadians hope for, prosperity which will be given to them very soon by the only party capable of bringing this about, the Canadian Liberal party.

(Text):

Mr. Andrew Brewin (Greenwood): Mr. Speaker, may I first of all congratulate you, sir, on your unanimous selection for a difficult but most important post. Next, I extend the traditional but none the less sincere congratulations to the hon. members who moved and seconded the address in reply to the speech from the throne. I should also like to refer to my predecessor as member for Greenwood, Mr. J. M. Macdonnell, and pay a tribute to him. Mr. Macdonnell is a very fine gentleman and a great Canadian. I should like the house to know that he is held in high regard and affection by many who like myself do not happen to share his political views.

I propose in this speech, Mr. Speaker, to deal with problems affecting the constitution of Canada and international affairs raised in the speech from the throne, and the attitude of this group to the motion put forward by the hon. member for Inverness-Richmond (Mr. MacEachen). First of all, however, I should like to make a few general remarks. At a moment like this when one speaks for the first time in this historic parliament one naturally thinks of the people of one's own constituency. I think of the people of Greenwood, as I am sure other hon. members think of their constituents, as the salt of the earth and I hope I can justify the confidence they have placed in me as their representative.

I think particularly, Mr. Speaker, of the people I met during the election campaign, as I called from house to house, who have experienced and are experiencing the bitterness and frustration of prolonged unemployment. I think particularly of the fathers of families, fathers over 50 who are told that they are too old to work. I think of youngsters getting out of school and having the keen edge of their enthusiasm for life dulled by finding themselves unwanted and unused in the labour market.

It seems to me, Mr. Speaker, that primarily unemployment is a moral problem. Have we the imagination to realize the wastefulness and the wickedness of the enforced idleness of our fellow citizens? If we do realize this, have we the will to organize society so that our human resources shall be fully employed and unemployment in fact brought to an end? The reason that I am proud to be a member of this party is that I believe this party has recognized and accepted the only means that can end unemployment, the means of economic planning and expansion of the public sector of the economy to the extent required to give everyone willing and able to work a job.

I think also of those in my constituency who are crushed and defeated by the burden of debt and anxiety caused by expensive operations and medical bills. Again, I am proud to be a member of a party dedicated to solving these problems in the only satisfactory way they can be solved, by a complete national health plan.

However, Mr. Speaker, it is my task today to call attention to what we believe are some

serious gaps in the program presented in the speech from the throne on other than economic matters. The speech from the throne refers to the proposed repatriation of the Canadian constitution. With this proposal we warmly agree. With the hundredth birthday of this country a few years away, it is indeed a strange anomaly that the control over the constitution of Canada rests, in form at least, with the imperial parliament of Great Britain long after Canada's full sovereignty was recognized by the Statute of Westminster.

But it is not enough to say that the Canadian constitution should be repatriated. The outlines at least of the proposed method of repatriation must be given. The constitution sets out the basis of our Canadian confederation and the relationship between the people of this country and their governments. It is of the utmost importance, therefore, that the constitution should entrench beyond the possibility of change the basic rights with respect to language, religion and education and should recognize fully the two nations and the two cultures that are the main streams of our existence. It is also our view that the amended constitution, to be made in Canada and by Canadians, should embody a genuine and constitutional bill of rights setting out the fundamental freedoms inherent in our parliamentary system. These freedoms, as members of the house know, are freedom of religion, freedom of speech and freedom of association. The present bill of rights, and I call the attention of the government members to this, is merely a declaratory statute capable of being overruled by this or subsequent parliaments and totally inoperative so far as provincial legislatures are concerned. If these fundamental rights and freedoms are contained in the solemn compact of our constitution, neither subsequent acts of parliament or the legislatures nor any subordinate authorities can invade them, and the courts will be able to act as the effective safeguard of our liberties to a degree that they cannot now.

I should like to employ this occasion, Mr. Speaker, to point out to our friends of the Social Credit party across the chamber, who sometimes seem to have so strangely perverted a view of history and politics, that so far from democratic socialism being the enemy of freedom, as they appear to believe, democratic socialists in Canada and throughout the world have been foremost in the struggle against every form of totalitarianism and bureaucratic oppression, whether from the right or the left, whether communist or fascist. Indeed, the most mature and successful democracies in the world are democracies such as Sweden and Norway which have had or have democratic socialist governments that successfully combine economic planning and individual liberty.

We in this group intend to carry on the battle in this parliament for the fullest respect for parliament and democratic institutions. That is why this group will vote tonight for the amendment introduced by the hon. member for Inverness-Richmond. This matter, I would point out, Mr. Speaker, was first raised in the house by the hon. member for Winnipeg North Centre (Mr. Knowles). The facts of this matter are clear. I do not propose to repeat the observations of the hon. member for Essex East (Mr. Martin), although I must say I agree fully with them. The government has imposed a surtax on imports by order in council or decree and no one but parliament has the right to impose taxation on the people of this country.

There is no more fundamental or historic right vested in parliament than control over taxation. Our ancestors shed their blood to establish this right. The attempt to justify this action under the provisions of the Customs Tariff Act and the Financial Administration Act is specious and unsound. The unsupported assertions of the Minister of Justice (Mr. Fleming) cannot remove the facts, and in my judgment it is not good enough to tell this house that it has no right to consider the legality of the government's action. What do these two acts contemplate? The first contemplates the removal of certain articles of import from one class or schedule to another and the goods so named attracting the appropriate fixed rate of duty in the class to which they are transferred. The Financial Administration Act contemplates the remission of taxation in the proper case, and in individual cases as the terms of the act make clear. Particularly, I should like to call the attention of the minister to section 22, subsection 8 of the act which makes the matter quite clear. The Financial Administration Act was never intended for a moment to justify the action taken by this government. Neither statute contemplates what was done here, namely the simultaneous transfer of class of article to a particular schedule and the remission of a part of the new rate of duty to the whole class so transferred. This is an indirect way to impose a direct tax or duty without calling parliament together to approve it. We in this group do not think it of importance that some previous administration may or may not have acted improperly before. I cannot follow the Minister of Justice (Mr. Fleming) in his suggestion that the sins of some former administration somehow blot out or condone the present sins of this administration.

What we are concerned with is that this government has, for its own convenience, usurped the rights of parliament because it did not see fit to call parliament to meet the emergency that developed soon after the election. The government was more anxious to allow passions to cool after the election, as the Prime Minister put it; or, as I would prefer to put it, the government was anxious to cling to power by taking steps to secure the support of a particular minority group. I call on all members of this house, Mr. Speaker, who believe that it is important to maintain the supremacy of parliament to vote for the amendment. I suppose it is too much to hope that the members of the government party will pay much attention to my suggestion, but I do most seriously suggest to the members of the Social Credit group that their vote on this amendment will be a test of the genuineness of their concern for parliamentary institutions, a test, moreover, of their faithfulness to their duties as a loyal opposition in this house.

May I make one last reference to the repatriation of the constitution? Much as we believe such repatriation to be desirable, it must not be done in such a way as to fasten a rigid and practically unamendable constitutional structure on this country or to give the power of veto to any one province in matters other than basic minority rights. In the proposals put before the in camera conferences of the attorneys general called by this government, such rigidity and such a veto were included.

The absurdity of such a veto power over any change whatever in constitutional provisions is made evident by a suggestion in the speech from the throne itself. The speech from the throne indicates an intention to put before parliament a resolution seeking an amendment to the British North America Act enabling parliament to legislate for contributory pensions. We in this group welcome this proposal. Supposing, however, all the provinces agreed to this change except one—and taking as an example the province of Newfoundland—would it be reasonable that one province, representing perhaps a small fraction of the people of Canada, could frustrate the will of the people of Canada as a whole in a matter in no way affecting basic provincial rights? Would it be reasonable to confer on the government of Prince Edward Island the right to veto the transfer to federal control of labour relations in nationwide industries such as steel and meat packing, which many believe can only be effectively handled at the national level?

The proposal for repatriation is a good one, but its method should provide for proper flexibility when required. There must also be a full opportunity for public discussion and scrutiny of anything so vital to the good government of this country as the form of a fully Canadian constitution.

There was one other aspect of the speech from the throne, Mr. Speaker, that we in this group found gravely disappointing. I refer to the references to international affairs. The complacency of this government about international affairs and this country's role is, in our view, totally unwarranted. In the rapidly changing world of today, we have become an interdependent part of one world. All the people of the world are united by a common fear of nearly universal destruction. From day to day, the B-52's of the strategic air command fly an airborne alert over the United States and Canada, carrying, on the average, 25 megatons or 25 million tons of explosive power, more than 12 times the amount of explosive dropped by all the bombers in world war II, including the two atomic weapons.

The stockpile of nuclear weapons in the United States is, we are told by responsible authorities, equal to ten tons of explosive for everyone in the world, and the U.S.S.R. presumably does not lag far behind. We live in an explosive world. We in this group respect, as all Canadians do, the persistent efforts of the Secretary of State for External Affairs (Mr. Green) to get the major nations of the world at least started on the road to disarmament. But there is no room for complacency. A striking gap in the speech from the throne is the complete omission of any reference to Canada's own part in the acquisition of nuclear weapons. Is the government still in the mist of indecision or has it made up its collective mind but is unwilling to tell the people of Canada of its decision?

We in this group believe that any addition to the security of the western alliance that Canada could bring by becoming, even to a limited extent, one of the nuclear club is far outweighed by the disastrous consequences involved in the further spread of the control of nuclear weapons to other nations. We regret that Canada did not take up clearly and unequivocally the Swedish initiative in the United Nations for the formation of a club, as it were, of non-nuclear nations pledging themselves to refrain from manufacturing or acquiring nuclear weapons and to refuse to receive them in their territory. The present degree of stability in the balance of deterrence may afford the human race a breathing spell when nuclear power to a significant degree is confined to two nations. The spread of nuclear weapons will quickly undermine any such stability of deterrence and make a nuclear holocaust set off by accident more probable than now. In any

event, what the western alliance lacks is not so much tactical or strategic nuclear weapons. What it lacks are highly mobile conventional forces. Canada's contribution to her own security and that of her allies will be far more significant if it takes the form of strengthening conventional forces for non-nuclear purposes.

We have to build, while we can, a world community so that we can eventually establish a rule of law over the nations. This is the task of this generation and it will tax our efforts and our imagination. Can Canada claim she is doing all that she can to create this world community? In an appeal issued by the World Council of Churches at New Delhi to all governments and people of the world, the following statement appears:

> There is a great opportunity for constructive action in the struggle for world development. To share the benefits of civilization with the whole of humanity is a noble, attainable objective. To press the war against poverty, disease, exploitation and ignorance calls for greater sacrifice and for a far greater commitment of scientific, educational and material resources than hitherto. In this common task let the peoples find a positive program for peace, a moral equivalent for war.

In the *Globe and Mail* of May 31 of this year a reference appears to the testimony before a United States congressional committee by the United States aid chief, Mr. Frank Coffin. He said that Canada is far behind the leaders in the field of providing aid to underdeveloped nations. Canada, according to Mr. Coffin, gave .21 per cent of its gross national product, compared with .6 per cent by Britain and the United States, and .56 per cent by West Germany.

The New Democratic party at its founding convention said a reasonable standard for the amount of grants and long term interest free loans for economic aid was an expenditure equal to 2 per cent of the national income. We are convinced that with an expanding economy and full employment such a contribution is possible. Furthermore Canada might make a decisive contribution to the economic breakthrough of countries like India.

We live in days of challenge and we must make a creative response to it. That creative response will involve changing some of our traditional thinking and practices. Petty partisan bickering in this house, which unfortunately characterized the contributions to this debate by the Leader of the Opposition and the Prime Minister, are not good enough in the world in which we live today.

I shall conclude my remarks by quoting some words of Barbara Ward, or Lady Jackson as she is also known, whose works have already been quoted in this debate. She uses these words:

> The western citizen of today, if he is to face the world's crisis of freedom, cannot ignore the deepest ideals of his own free tradition. He must wish to recreate the face of the earth. He must see the human race as one brotherhood. He must set his abundance to work to end other people's misery and want. In this spirit freedom will conquer. Without it freedom hardly deserves the name.

I commend those words to this house.

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, when rising to take part in this debate I of course want to pay the conventional, indeed more than the conventional tribute to the mover and seconder of the address on this occasion. I also, sir, want to pay my tribute to you for having achieved the position which you are occupying right now as Deputy Speaker of the House of Commons, and to the Speaker of the house who, for three or four years, was associated with me as parliamentary secretary. I hope that some of the lessons which we learned together in discipline and in working out the problems of national revenue may be of some assistance to him and to you in presiding over what the hon. member for Red Deer (Mr. Thompson) calls this house of minorities.

We are speaking strictly on the amendment which was moved by the hon. member for Inverness-Richmond (Mr. MacEachen). I am sorry to say that much as I welcome him personally to this house I deplore the fact politically that he happens to be here. But, if we have to have a Liberal from Nova Scotia, there is no one I would rather see here than the hon. member. He will pardon me if I do not propose to comment on the amendment further than was done today by my colleague the Minister of Justice because I am quite sure the hon. member, with his educational background, coming from that province where some people excel in that area, will realize that his arguments were somewhat phony and unrealistic, and that when the Minister of Justice got through with them today he should know there is nothing more I should say about them at this time.

This, Mr. Speaker, is one of the great milestones in the life of a parliament. During our regular sessions of parliament we have this debate on the address which, according to tradition, is always hard fought. It enables hon. members to speak about almost everything under the sun before finally the address is passed and the executive receives the confidence of the house. We are working towards that end at the moment. I am not anticipating what the votes may be, but at least on this occasion we are treading along one of the parliamentary highways which have made great the history of parliamentary procedure within the commonwealth.

As I say, one can speak on almost anything dealing with the affairs of the nation, and in a few moments I shall refer to some of the specific problems with which the Minister of Finance is perhaps more directly associated than any other minister; but I would like to make one or two casual references as I proceed along the way. Recently there has been a great deal of controversy and discussion about the entry of the United Kingdom into the common market. My friend—and I say that advisedly—my friend, the Leader of the Opposition has sometimes spoken caustically about the position that the Prime Minister of Canada has taken with respect to the problems with which this government was confronted in that matter.

Recently the Prime Minister attended the prime ministers' conference in London and, without attempting to read into the record a large number of quotations which one might read because one's time is very limited in this debate, I think it is fair to say that the Leader of the Opposition has criticized the Prime Minister for having taken a position in opposition to the United Kingdom going into the common market, suggesting that he was rather crying about the problems with which we were faced, and altogether belittling the efforts which the Prime Minister was making in defending and protecting the interests of Canada in the event of the possible entry of the United Kingdom into the common market.

This government, of course, has taken the position that it is a problem for the United Kingdom and none other; but I hope the Leader of the Opposition has read the speech made by the Hon. Hugh Gaitskell at the labour conference in Brighton on Wednesday last. One does not have to subscribe to the political tenets of that gentleman—and I do not—to recognize the fact that he is a distinguished leader in the parliament of the United Kingdom and one who some day may possibly be the prime minister of Britain. Although the resolution which was passed by the conference, as of course with all resolutions, had escape valves and escape hatches—and some of us in this parliament are not entirely unfamiliar with that process—certainly the leader of the Labour party came down four square on that occasion in opposition to the United Kingdom going into the common market, because he said it threatened the existence of the commonwealth as such.

We in this party attach a great deal of importance to the common market and to the entry of the United Kingdom into it. We believe it presents problems to us at the moment, but we believe they can be solved. We are also concerned about the future of the commonwealth as such, and I just wonder if the Leader of the Opposition when he was criticizing the Prime Minister, during those days and weeks when the Prime Minister was overseas, and before and since, knew what he would have the Prime Minister of this country do with the Hon. Hugh Gaitskell, whether he should take the Hon. Hugh Gaitskell by the hair and pull him into the common market or put his shoulder behind him and push him in. But certainly there was a wide divergence of opinion between the two at that time.

With respect to the balance of payments crises which followed after the election, I am not going into the details of that at the moment because we have had a great deal of talk with respect to this, but it has been suggested that the Prime Minister misled the country and deceived the electorate with respect to the position which we took in not going more fully into this matter before the election.

I think the Prime Minister dealt with this matter very effectively the other day, and I am not going to say anything more about it at the moment except to recall the figures which he put before us at that time. I think perhaps I should interpolate this. The Leader of the Opposition I think with a slightly twisted sense of humour, suggested that the reason this crisis developed was because of the lack of confidence in this government. I thought he made that fairly pointed. If that is the case, I would like to ask the Leader of the Opposition how he reconciles the figures, because as the Prime Minister pointed out the other day, between June 1 and June 14 there was a substantial loss in our foreign exchange. There is no question about that.

In fact, there was a loss of $128 million between June 1 and June 14. Then came June 15, which was a Friday, the last day of trading for that week. June 16 was a Saturday; June 17 was a Sunday. Then came June 18. Possibly some people may call that the Black Monday; that was election day. Then you get the balance of exchange for that week. We find that between the 15th and the 22nd, only five trading days, the fund lost $270 million, $142 million more in those five trading days than in the two previous weeks when people in Canada were hoping that this government would still be in power. But when they found that we were in a minority position, when they found that so many Liberals had been elected, there then came a run on foreign exchange control. So, as I say, we lost $142 million more in five days with the dire threat of the hon. gentleman opposite as a possible prime minister than we lost in the two weeks before when the people were hoping the Prime Minister would be returned with his government.

Mr. Pearson: Anyway, you have not lost your sense of humour.

Mr. Nowlan: An hon. member opposite says we deceived the electorate, that the Prime Minister deceived the electorate. I have dealt with these two matters, the common market, in the light of Mr. Gaitskell's statement last Wednesday, and the foreign exchange crisis. As I said earlier, the Leader of the Opposition is a good friend of mine, a good personal friend. We happened to come into the House of Commons on the same day more years ago than perhaps we would like to recall. Five of us came in on that day. Only two of us are left. The Leader of the Opposition was then secretary of state for external affairs; he is now the leader of Her Majesty's loyal opposition. I was a junior backbencher in the House of Commons at that time, and I happen to be standing where I am tonight.

During all these years we have been very, very good friends, and I want to express my appreciation for what the hon. gentleman did when he was a minister and I was a private member. But in view of these misstatements which have been made, the misleading misstatements which have been made with respect to both these matters, and knowing the hon. gentleman as I do, I would hope that before this debate were over he would rise in his place and apologize to this house and the country for the charges he has made.

Some hon. Members: Oh, oh.

Mr. Chevrier: That is an old cliché.

Mr. Nowlan: I must say, Mr. Speaker, that as a private member it was much simpler to enter this chamber with an envelope stuck in your pocket which you could look at, than it is, as Minister of Finance, to come in with a text, the pages of which I invariably get mixed up.

Perhaps a word should be said with respect to the political complexion of this house. The hon. member for Red Deer (Mr. Thompson) said the other night that this is a house of minorities. Naturally our friends in the press gallery are having a lot of fun speculating as to who is supporting who and what machinations or deals are going on behind the scenes. As I think one of the Social Credit party said the other day—at least, he is reported to have said this—perhaps they were a little bit unsophisticated in stating honestly their opinion that this country did not want an election at this time and that it was not the intention of that party to defeat the government for purely political purposes.

This has given a great deal of false courage to our friends on the extreme right and to our friends opposite, each of whom I would say are more afraid of an election than I think is the Social Credit party, and they are certainly more afraid of it than we are. So again we see the strange association between the one-time great Liberal party and the socialists now on my right.

The other day the hon. member for York South (Mr. Lewis)—

Mr. Knowles: Tell us about your own bedfellows.

Mr. Nowlan: I am glad to hear that voice. It reminds me of days when we walked up the aisle together confronting the Liberal party when the pipe line debate was on.

However, Mr. Speaker, the other day the hon. member for York South, one of the new members of the House of Commons whose reputation preceded him, in a very able speech expounding socialistic philosophies said, among other things, of this government that we persisted in maintaining a policy of tight money. I will deal with that in a moment, perhaps, if time permits. Then the hon. gentleman continued that the government insisted on reducing expenditures and on chasing that will-o'-the-wisp of a balanced budget willy-nilly, with fingers crossed. A will-o'-the-wisp of a balanced budget—and they went to bed together. Shades of the great Liberal party. It is no wonder that there is some confusion in the gallery above as to who is supporting whom, which deals are made, and why. But in any event, when the division bells ring tonight, because perhaps of the forthrightness, or at least the sincere and honest declarations of our friends of the Social Credit party—I say "our friends" because I am very glad to see people in this house being honest enough to stand up and say what they believe in, instead of hiding behind statements made for their own purposes—or at least when they rang the other night, because far be it from me to say what will happen tonight when the division bells ring—

An hon. Member: You know.

Mr. Nowlan: —the pronounced socialists down on my right and the pseudo-socialists sitting opposite me climbed under the same blanket, shivering and shaking and hoping the lightning would be deflected, because they hoped that the Social Credit party would act as a lightning rod and deflect the lightning so they would not have to face the electorate in the near future. Mr. Speaker, this should be said, and I think it should be said seriously of all party divisions in this house. The government does not agree with the theory of monetary control, the theory of monetary expansion, which is espoused by the Social Credit party. As a matter of fact, I suppose I might say—I hope I will not be

misunderstood in saying this as Minister of Finance—that if any of us can find any three people in any place in the country who agree on monetary theory, then we are accomplishing a miracle. But be that as it may, we do not think that the theory espoused by the Social Credit party bears this out, but this also should be said. The Social Credit party, according to its pronouncements, stands fairly and squarely on its principle of supporting the maintenance of private enterprise in this country. This government does likewise, Mr. Speaker. In the division which this house saw the other evening you saw a division on principle. You saw parties supporting private enterprise on the one hand, and the socialists and pseudo-socialists divided against them on the other. Mr. Speaker, a very distinguished leader of the Liberal party, the prime minister when I had the opportunity of sitting in this house in opposition, once said that the C.C.F.—at that time there was only the C.C.F. with us—were "Liberals in a hurry". Now I suspect that my hon. friend for Winnipeg North Centre (Mr. Knowles), and others who were here in those days when we sat more or less together on the far side of the house, would say that they had witnessed a conversion which was greater than that witnessed by Saul of Tarsus when he was on the road to Damascus, and now we see that it is the Liberals, not the socialists, who are "socialists in a hurry".

Mr. Speaker, having indulged, as I said, in this parliamentary road block when one can cover everything under the sun, and which is one of the great traditions of our parliamentary system, perhaps you would expect me in the very short time which is left to me to deal with some of the financial problems with which we are faced. I trust, Mr. Speaker, that there will be many other opportunities, as I am sure there will be if this house has the intelligence which I think it has, for hon. members to raise these points and I will be able to develop further some of the matters which were referred to at this time.

There have been many good speeches made here during this debate. The newspapers have paid tribute, columnists have paid tribute, and I think we all will pay tribute, to the quality of the debate which has taken place so far in this chamber. Not that we agree with all that has been said, but perhaps it does have some merit in having competing groups more closely allied than they were heretofore and you get an expression of views which is refreshing and which is interesting.

The hon. member for Davenport (Mr. Gordon) is one of the new members of this house whose reputation preceded him as a sort of *deus ex machina* of the Liberal party, and who I presume can assume to himself some credit for the rather substantial gains which it made in the last election. He talked the other day about tight money. I could go into this complex subject for a long while, but I am not going to do it at this time. However, I do want to say right now that I deny categorically and absolutely that there is any policy of tight money in this country. The hon. gentleman, as my colleague the Minister of Labour (Mr. Starr) pointed out the other day, has written at least two books, and he may have to write another one on this matter. I am sure he, with his knowledge of economic problems, would be the first to admit, as I know he does, that the needs of our monetary policy must satisfy the needs of our balance of payments position, as well as the needs of our domestic economy. Interest rates did rise. On June 24 the Bank of Canada rate went up to 6 per cent, but on September 7 it was reduced to 5½ per cent. Interest rates have eased accordingly.

One could go on and on dealing with the theoretical question of interest rates, but the interest rate of the bank itself is not the only criterion by which this government should be judged. It is not the only criterion by which the people of this country are going to judge this government when the time comes.

There are various mechanisms which we have to which I think some attention should be paid. Let us take the industrial development bank, for instance, for the moment. We talk of tight money. The loans in 1961 amounted to $71 million, which is 85 per cent more than in 1960. You could go down through the various classifications covered. In the retail trade you find that loans were up 150 per cent. Loans to the construction industry increased by 140 per cent. Manufacturing loans in some fields were up over 100 per cent—over 200 per cent in some cases—and in the 11 months of this year, and we are not through this year yet, including the period of the alleged austerity program—and I would like to take half an hour on that, but time does not permit—they are up over 31 per cent. The loans issued by the industrial development bank are up 31 per cent over last year at this time. If that is tight money, Mr. Speaker, then give us more of it.

Then let us take the loans under the Farm Credit Act. In the fiscal year ending March 31, 1962, loans totalled $68.6 million, an increase of $8 million over 1960. In the first six months of this year there has been an increase of 22 per cent over the loans made in the same period last year.

Let us take the Small Businesses Loans Act, which, Mr. Speaker, you and I have good reason to know, having worked on the bill in days gone by. Loans up to December 31, 1961 totalled $25.6 million, and they were

made to various classes of business. Loans for the second quarter of this year are running at an annual rate 21 per cent over last year. Mr. Speaker, is that tight money? With regard to home improvement loans, in 1961 they rose to a record level of $42.8 million compared to $30 million the year before. For the first seven months of this year the report of the Central Mortgage and Housing Corporation shows although the figures are not definite and conclusive, a definite improvement and an increase in loans over the same period last year. And one could go on.

Those are the principal lending agencies which this government is operating and which are being developed, and have been developed, under the aegis of this government. Then, of course, you have the Export Credits Insurance Act, amendments to which are being brought forward in the near future. I am not sure what business has been set forth for the rest of the week, but I think very shortly the house will be asked to deal with those matters. Section 21, the long term credit section which provides for exports of our products to the world, was absolutely inoperative under the preceding administration. Under this government we have loaned $100 million, almost $200 million, and we are going to ask for an increase of that amount so that we can continue our export sales program which has been instituted and carried on so well by the Minister of Trade and Commerce (Mr. Hees). And that is only one measure, Mr. Speaker.

I am warned that my time is running very short, Mr. Speaker, but I might also mention the substantial purchase of bonds which has taken place, and I am sure the hon. member for Davenport will appreciate that. A large number of bonds have been sold in the last few months following the problems that we faced. The bonds have all been taken up on the domestic market, and that of itself shows the confidence of the Canadian people in government bonds. Hundreds of millions of dollars have been made available from the banking system. I am not saying at the moment what tight money is. At the moment I am not trying to define what the level of the currency should be in this nation. That is a matter for determination and for government policy from time to time. However, I say this without hesitation or without fear. If the policy which this government is following is that of tight money, then Mr. Scrooge who is referred to by Dickens in his work, was a Santa Claus. There can be no question whatsoever about that matter. I think we have proven fairly well that substantial funds are available for various media of employment and development in this country. Having said all those things, and there are many more that I could say but my time is running very rapidly to an end, I do not wish anyone to assume for one minute that we feel we have solved all the problems of this country. There are many difficult problems ahead of us, including the balance of payments problem with respect to the over $1 billion a year that we pay out for services, dividends, interest and goods. Only once in the last 10 years under the aegis of this government have we had a surplus of goods, and that was last year.

An hon. Member: How about this year?

Mr. Nowlan: I hope that the figures will show that there has been an improvement this year. The hon. member for Davenport pointed that out. If I had the time, and I have not, I should like to read the speech of my distinguished predecessor, now Mr. Justice Abbott, back in 1947, when he pointed out the long term solution they were going to take to solve this problem. He said it would be solved by GATT, by gold subsidies and some of those things, all of which failed. The hon. member for Davenport referred to it in his report on economic conditions. A very distinguished commentator who is not very friendly to this government and who spoke at Queen's University a while ago said the record of the Liberal government from 1950 to 1956-57 on this matter was such that millstones should be hung around their neck and they should be drowned. That is the situation.

I am not professing for one moment that all these problems can be solved overnight. Their solution is going to take time. It is going to take a long while before they all can be solved. In the speech from the throne we have said—and I believe it is a factual statement—what we will do in the first five years of this revolutionary period. The whole world is going through a revolution, and a substantial one. The other day what happened? Our United States friend brought his spacecraft down within a few feet or a few miles of an allocated point in the Pacific ocean. That is a much more important scientific development probably than was Columbus' discovery of America. I am not sure, Mr. Speaker, whether this is a scientific problem which you are trying to overcome—

Mr. Speaker: While the discussion at this moment has taken an extremely interesting turn, I regret that we must postpone further discussion. The minister's time has expired.

Hon. L. B. Pearson (Leader of the Opposition): If I venture to intervene in this debate, Mr. Speaker, it is because of the

extremely friendly invitation or indeed challenge, issued to me by the Minister of Finance a moment ago. An invitation or challenge, if you like, couched in such friendly terms by one whom I admire personally so much is one that I think I should not turn down. This also gives me an opportunity to congratulate the minister on his new portfolio. I rejoice in his steady promotion on the ministerial ladder as a member of the class of '48. I thank him for his friendly references to myself and I most warmly reciprocate them as he knows.

The Minister of Finance spoke for one half hour and when he had ten minutes left he said, "It is time now for me to deal with finance". The minister should be more careful to speak as Minister of Finance at every opportunity. In this debate this is the first time we have heard from the Minister of Finance when so many financial subjects were being discussed and dealt with on the other side by the former minister of finance, now the Minister of Justice, who is still minister of finance so far as international financial affairs seem to be concerned and who is still the Canadian member of the international monetary fund and the bank of international settlements. I therefore suggest in a friendly way to the Minister of Finance that he take every opportunity to prove that he is the Minister of Finance, especially as there seems to be lurking in the other house someone who has aspirations in that field as well. We do not wish to see our old friend the Minister of Finance crushed between the upper and the lower millstones.

I am delighted that the minister has kept his sense of humour, which has stood him in such good stead over the years and which I hope will do so in the future. Perhaps he has never given a better illustration of his possession of that sense of humour than he has given tonight in the remarks which he has just made, especially when he said that we have nothing like tight money in this country at the present time. Then he went on to say, however, that he was not quite sure what tight money was, that he was not going to define it tonight. But whatever it is, we have not got it.

I ask him to inquire of any small businessman who is trying to get a loan whether we have tight money. I ask him to go to a bank and try to arrange a small overdraft and to find out whether we have tight money. The minister will no doubt on some other occasion tell us what he means by tight money. However, I tell him tonight that we certainly have tight money in this country at the present time.

[Mr. Pearson.]

Another example of the minister's sense of humour was given when he invited me to rise in my place at once in this debate before it was brought to a conclusion on this amendment and apologize.

Mr. Nowlan: I gave you two days.

Mr. Pearson: Presumably it was to apologize to the Prime Minister for what I have said about the attitude of the Prime Minister and his government on the common market and the attitude of the Prime Minister and the government in the election campaign to what we considered to be, with a great deal of evidence to support it, concealing vital financial facts from the electorate. If any apology is due to this house, Mr. Speaker, it is due from the other side. I do not accept the minister's invitation on this occasion.

Mr. Nowlan: I will repeat it later on.

Mr. Pearson: The minister said, "Our attitude toward the common market and Great Britain's entry into the common market must have been right because it was supported by the leader of the Labour party in Great Britain". He asked me whether I had read Mr. Gaitskell's statement. Of course I have read it. I have also read Mr. Macmillan's statement on the same subject. Our criticism of the government in this matter is a simple one. It is not that they are not trying to protect Canadian interests, and I hope I made this position clear in my first speech.

The criticism is that they do not know how to protect Canadian interests; and that in their efforts to protect Canadian interests, by adopting a shortsighted, narrow minded policy they have made Canada's reputation in this particular field lower than it should have been. Our criticism is that they have no understanding of the implications of this great move of Great Britain across the channel in the interests of the political and economic unification of Europe and the Atlantic world, something that may stand between us and destruction in the years ahead. We can have that and the commonwealth too, Mr. Speaker, but hon. gentlemen opposite do not seem to understand that fact.

The other subject for apology is the concealment of the financial facts during the election. The Minister of Finance (Mr. Nowlan) proved how right they were and how wrong we were and that they had concealed nothing because there was no crisis until two days after the election. That was the argument. He brought forward the figures that the Prime Minister (Mr. Diefenbaker) had brought forward before to show that we had lost, how much, in those two days? One hundred and

eighty million dollars or $200 million in a couple of days. According to him, and this is a magnificent example of the minister's sense of humour, the reason for that loss of dollars which reflected lack of confidence was that the people, presumably in Canada and outside of Canada, who are concerned with these international financial transactions had suddenly realized that the Liberals had elected 100 members in the new house. The reason for it, Mr. Speaker, is that the people who are concerned in these matters suddenly realized that the Liberals had not elected enough to take charge of the government at once.

The morning after the election, Mr. Speaker, the international and the national financial communities suddenly realized that this government had not been replaced, and on that knowledge dollars fled the country.

Mr. Nowlan: You have the sense of humour.

Mr. Pearson: The Minister of Finance had something to say about the amendment on which we are voting in a few moments. It is a very simple one, Mr. Speaker. It condemns the government for taxation without representation. It is a historic and age-old principle of British constitutional law and propriety that there shall be no taxes levied on the people without the people's representatives having a chance to express their will in respect of such taxes.

What have we got now? We have a government that has put into effect taxation by order in council. We on this side challenge the legality of that order in council. That is a matter for legal dispute. They say it is legal; but saying it is legal does not necessarily make it legal. Even if you assume it is legal, even if you assume that there is a legal basis for this action, the government having taken the action now refuses to give the people's representatives a chance to pass on the action they took by order in council.

Mr. Fleming (Eglinton): Nonsense. That is what we are going to do right now.

Mr. Pearson: That is the issue. The Minister of Justice says that we are doing it now because we are voting on a motion of confidence in the speech from the throne. In this motion is that particular action of the government under consideration? Is it to be decided on any motion of confidence? The Minister of Justice knows it is a fantastic argument that if we vote the address in reply to the speech from the throne we confirm and ratify all the actions of the government.

Mr. Fleming (Eglinton): You have raised it yourself in this amendment.

Mr. Pearson: But, Mr. Speaker, taxation without representation and refusing to let the representatives of the people even discuss the matter—

Mr. Fleming (Eglinton): That is perfectly ridiculous.

Mr. Pearson: —that is what is being done now. The Minister of Justice tries to support this, the Minister of Justice who once draped himself in a Canadian flag and walked out of this house because he said parliament's and the people's rights were being debased.

Mr. Fleming (Eglinton): They were too. You were a party to that.

Mr. Pearson: I ask the Prime Minister once again, as the hon. member for Essex East (Mr. Martin) did this afternoon, is he going to give this parliament a chance to decide and to express its opinion on the austerity program of the government?

Mr. Fleming (Eglinton): You have been doing it for ten days now.

Mr. Pearson: There is going to be no opportunity given for us to discuss and decide on the taxation measures put into effect by the government by order in council and covering over $200 million of the people's money. That is the position that the government has taken. That is the issue in the amendment. It is as simple as that. We condemn the government. We have no confidence in a government that will take action of that kind, taxation on the basis of very doubtful legality at best, and then refusal to let the representatives of the people even discuss what they, the government, have done. How can any member of this House of Commons—

Mr. Fleming (Eglinton): What have you been doing all these days?

Mr. Pearson: —who believes in parliamentary government vote against an amendment of this kind?

Mr. Fleming (Eglinton): What have you been doing for the past two weeks?

Mr. Pearson: We put this subamendment before the house confident that every member of the house who really believes in parliamentary rights, parliamentary privileges and parliamentary government will vote for it and, Mr. Speaker, if the subamendment carries, if it means a general election, who are we to run away from a general election at this time?

It is very hard indeed, Mr. Speaker, to understand that a government, headed by my right hon. friend who once talked so much about the rights and privileges of parliament, will come into this house and tell us: We have done this by order in council and that

is the last you are going to hear about it; you will be given no chance even to discuss it, let alone decide on it.

Mr. Fleming (Eglinton): You have been doing it for two weeks.

Mr. Pearson: That is the very negation of parliamentary government—

Mr. Fleming (Eglinton): This is a negation of the facts.

Mr. Pearson: —and that is only one reason why we have no confidence of any kind in this minority government at this time.

Some hon. Members: Time.

Mr. Pearson: I am informed that it is 9.30, Mr. Speaker, and the vote is to be taken at 9.30. Therefore—

Mr. Speaker: Order. It being 9.30 o'clock p.m., it is my duty, pursuant to section 4 of standing order 38, to interrupt these proceedings and put forthwith the question on any amendment or amendments before the house.

The house divided on the amendment (Mr. MacEachen) which was negatived on the following division:

YEAS

Messrs:

Addison
Argue
Asselin
Badanai
Barnett
Batten
Bechard
Beer
Benidickson
Benson
Berger
Boucher
Boulanger
Bourque
Brewin
Brown
Burgess
Byrne
Cadieux
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Cardin
Caron
Carter
Chevrier
Clermont
Clunis
Cowan
Crestohl
Crossman
Davis
Denis
Deschatelets
Drouin
Drury
Dube
Dupuis
Ethier
Eudes
Fisher
Forgie
Foy
Garland
Godin
Gordon
Granger
Gray
Habel
Haidasz
Hardie, Mrs.
Harley
Hellyer
Herridge
Honey
Howard
Kelly
Knowles
Lachance
Laing
LaMarsh, Miss
Lamoureux
Laniel
Leduc
Legare
Lessard (St. Henry)
Lewis
Loiselle
Macdonald (Rosedale)
MacEachen
MacInnis
Mackasey
Macnaughton
McIlraith
McLean
McMillan
McNulty
McWilliam
Martin (Essex East)
Martin (Timmins)
Mather
Matheson
Matte
Mitchell
Munro
Nicholson
Nixon
Orlikow
Otto
Pearson
Pennell
Peters
Pickersgill
Pilon
Prittie
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Ryan
Sauve
Scott
Stewart
Tardif
Teillet
Tucker
Turner
Wahn
Walker
Webster
Whelan
Winch—116.

NAYS

Messrs:

Aiken
Alkenbrack
Balcer
Baldwin
Baskin
Beaule
Belanger
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bernier
Bigg
Bourbonnais
Boutin
Bradley
Cadieu
Caouette
Casselman, Mrs.
Chaplin
Chown
Churchill
Clancy
Coates
Cook
Cooper
Côté
Crouse
Diefenbaker
Dinsdale
Dionne
Doucett
English
Enns
Fairclough, Mrs.
Fairweather
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Frenette
Fulton
Gagnon
Gauthier
Grafftey
Green
Gregoire
Grills
Gundlock
Hales
Halpenny
Hamilton
Hanbidge
Harkness
Hees
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Jones
Jorgenson
Kennedy
Kindt
Korchinski
Langlois
Laprise
Leboe
Legere
Letourneau
Macdonald, Mrs.
MacEwan
MacLean
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McGee
McGrath
McIntosh
McPhillips
Maltais
Mandziuk
Marcoux
Martineau
Millar
Monteith
Moore
More
Morris
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
O'Hurley
Olson
Ormiston
Ouellet
Pascoe
Patterson
Paul
Perron
Phillips
Pigeon
Plourde

Division

Pugh	Smith (Calgary South)	
Rapp	Smith (Simcoe North)	
Ricard	Southam	
Robinson	Starr	
Rondeau	Stefanson	
Rowe	Stenson	
Roy	Thomas	
Rynard	Thompson	
Sams	Valade	
Sevigny	Vincent	
Simpson	Webb	
Skoreyko	Weichel	
Slogan	Winkler—137.	
Smallwood		

Mr. Speaker: I declare the amendment lost.

Mr. Winkler: Mr. Speaker, may I call it ten o'clock?

Mr. Speaker: It now being ten o'clock this house stands adjourned until 2.30 o'clock tomorrow afternoon.

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

HOUSE OF COMMONS

Wednesday, October 10, 1962

The house met at 2.30 p.m.

OIL

ANNOUNCEMENT OF DISCOVERY OF OIL SATURATED SAND DEPOSIT

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, hon. members will recall that last year I was able to announce the issuance of new regulations for oil and gas exploration and development in the north. These regulations outlined a policy which it was anticipated would encourage continued effort not only on the mainland of the territories but also in the Arctic islands. Since that time a deep test well has been drilled on Melville island and over $1,100,000 have been spent on geological exploration in the islands.

It is my pleasure to announce today that a geological party of J. C. Sproule and Associates, working in the Marie bay area of northwest Melville island for permit holders including Canadian Oil Companies Limited, Bankeno Mines Limited and W. R. Sheeky, have discovered a large exposure of sand saturated with oil. Preliminary information indicates that the saturated oil sand is between 60 to 80 feet thick and is exposed at the surface for a distance of approximately 60 miles. While much work remains to be done before the full significance of this discovery can be determined, it does give tangible proof that oil is to be found in the Arctic islands.

(Translation):

CRIMINAL CODE

AMENDMENTS TO PERMIT PROVINCIAL LOTTERIES

Mr. Georges Valade (St. Mary) moved for leave to introduce Bill No. C-56, to amend the Criminal Code respecting provincial lotteries.

Some hon. Members: Explain.

Mr. Valade: The purpose of this bill is to amend the Criminal Code so as to enable the provinces which would like to do so to establish provincial lotteries with a view to providing assistance to hospitals and promoting social welfare.

The aim of this bill will be: (a) to bring into effect the act which, in 1935, amended the statutes of the province of Quebec, authorizing the latter to hold provincial lotteries, (b) to establish provincial lotteries for provincial purposes, (c) to help the province of Quebec to make up, in a democratic way, the deficit incurred in the last two years by the present Liberal government which has caused a state of stagnation in that province.

Motion agreed to and bill read the first time.

(Text):

HEALTH AND WELFARE

LIEFCORT—INQUIRY AS TO HALTING OF DISTRIBUTION

On the orders of the day:

Hon. Paul Martin (Essex East): May I address a question to the Minister of National Health and Welfare. Would the minister advise the house whether the distribution in Canada of the preparation liefcort was stopped after similar action had been taken by the food and drug administration of the United States?

Hon. J. W. Monteith (Minister of National Health and Welfare): No, Mr. Speaker; before.

[*Later:*]

Mr. Stanley Haidasz (Parkdale): May I ask a question of the Minister of National Health and Welfare supplementary to the one asked by the hon. member for Essex East. The question is this, Mr. Speaker. Did the food and drug directorate of his department know of the constituents of the drug liefcort before the department allowed the Endocrine Research Laboratories to distribute this drug?

Mr. Monteith: Our food and drug directorate has been dealing with this individual for a number of months while he has been in the process of gathering the information required for a new drug submission. This has involved a number of calls by officials of the department to determine the steps being taken by Dr. Liefmann to meet the requirements necessary before a new drug may be cleared for general distribution under medical prescription.

My officials have recently come to the conclusion that the present indefinite situation could not be allowed to continue. While the drug has been in circulation amongst investigators, suitable progress reports have not been forthcoming. For this reason, Dr. Liefmann was advised last week that distribution of his drug should cease. At the same

time, it was pointed out to him that if he wished to reintroduce the drug for investigation at a later date, my department would be happy to review the situation again.

I might add that the reports furnished the department by Dr. Liefmann from time to time have not indicated the development of serious side effects associated with the use of the drug.

Mr. Speaker: Has the hon. member a supplementary question?

Mr. Haidasz: My question, specifically, was did the food and drug directorate know that one of the constituents of the drug liefcort contained ten times the therapeutic dose of estradiol?

Mr. Speaker: This is hardly a supplementary question. The hon. member is putting forward an opinion.

Mr. Martin (Essex East): On a point of order, Mr. Speaker.

Mr. Speaker: There is a question of a related question here.

Hon. Paul Martin (Essex East): On a point of order, Mr. Speaker, you have just told the hon. member that his question was not proper. I suggest to you that this is a matter that might involve life and death in this country. Surely any question that bears on a question so related is one that may be asked at this time by an hon. member of a minister of the crown.

Mr. Speaker: At no time have I suggested that the hon. member should not ask his question, but he asked it, I would not say under the guise but under the heading of a supplementary question, and I judged that it was not. In that regard he has intruded or cut back on the rights of other hon. members. It does not matter to the Chair, but it is a matter of the rights of other hon. members who may have true supplementary questions to ask, as I understand the meaning of "supplementary".

Mr. T. R. Berger (Vancouver-Burrard): May I ask the Minister of National Health and Welfare whether his department has discovered whether the preparation liefcort was used in Canada by persons suffering from arthritis prior to distribution of the drug being stopped last week?

Mr. Monteith: I believe it was being used in some instances, Mr. Speaker, but under direct distribution by the manufacturer.

[*Later:*]

Mr. Haidasz: Mr. Speaker, may I rephrase my question to the Minister of National Health and Welfare. Would the minister inform this house today, if he can, or later if he has not the answer to my question, whether the food and drug directorate knew before this drug liefcort was distributed that one of the constituents of that drug contained ten times the therapeutic dose of estradiol.

Mr. Monteith: Mr. Speaker, this is a very technical question, which I am not prepared to answer at the moment.

IMPORTATION AND SALE OF JEQUIRITY BEAN NECKLACES

On the orders of the day:

Mr. S. P. Ryan (Spadina): I should like to ask a question of the Minister of National Health and Welfare. Has the government taken any steps to prevent the further importation, sale and distribution of jequirity or death bean necklaces in Canada?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, there is no legislation under which my department could take action in this matter. The Food and Drugs Act gives us certain powers with respect to goods designed for human consumption or for the treatment of illness, but its terms go no further than that. Such hazards to health are always deplorable, but with the publicity this matter has received I would hope most earnestly that parents are well aware of the need for caution.

VOCATIONAL TRAINING

TORONTO—ALLEGED OVERCROWDING OF FACILITIES

On the orders of the day:

Mr. David Lewis (York South): I should like to direct a question to the Minister of Labour. Has the minister's attention been drawn to the fact that the premises and facilities for the training of unemployed persons in metropolitan Toronto are seriously overcrowded? If so, is the government giving consideration to providing assistance for the building of additional facilities there under the Technical and Vocational Training Assistance Act?

Mr. Speaker: Order. With all due respect to the learned member I do believe that by now he will have realized his question was not one of the kind asked on orders of the day.

TRANSPORT

WELLAND CANAL-SARNIA—WORKING CONDITIONS OF PILOTS

On the orders of the day:

Mr. W. H. McMillan (Welland): I should like to direct a question to the Minister of Transport. Will the minister investigate the matter of the professional pilots serving in the Welland canal-Sarnia area of the seaway,

where pilots claim they are working up to 500 hours a month, and also claim that nearly all the promises made to them have been broken?

Mr. Speaker: Order. I am asking the co-operation of hon. members, particularly those who have been here some considerable time and who know that representations may be made to the ministry on occasions other than the orders of the day.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I say a word on the point of order Your Honour has raised. It does seem to me that in the recollection of those of us who have been here longest, who have observed parliament the longest, it has been the immemorial custom in this house to ask questions based on urgent telegrams received from constituents about matters of public administration that arise suddenly in these places. This seems to me, sir, precisely the character of the question asked by the hon. member for Welland. I submit with great respect, sir, that a new boundary seems to be suggested by the ruling of Your Honour.

[*Later:*]

Mr. J. C. McNulty (Lincoln): May I inquire of the Minister of Transport if he has replied to the urgent request of Mr. Stevenson of the great lakes pilots? If so, would he communicate the nature of his reply to the house?

Hon. Leon Balcer (Minister of Transport): I have not seen this wire yet. I can assure the hon. member that as soon as we have received it we shall take action.

TRADE

CUBA—RUSSIAN CARGOES CARRIED IN CANADIAN SHIPS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Yesterday the Leader of the Opposition asked me a question in regard to the part played, as he said, by eight Canadian owned ships in trade between communist countries and Cuba, following which the hon. member for Laurier (Mr. Chevrier) used these words:

> I should like to ask a supplementary question. Can control not be exercised over these ships or the companies owning them because of the fact that their profits are taxed in this country and the money goes into the federal treasury?

To this I replied that I had no information in that regard but would look into the matter. I now find that the owners of approximately 125 Canadian vessels were allowed, in 1949 and 1950, to register their ships in the United Kingdom under the transfer plan. Control of these vessels was vested in United Kingdom managers who were required by the agreement to operate these ships in accordance with the laws of the United Kingdom.

Of that transferred fleet only 15 ships remain, and these are still under the control of the laws of the United Kingdom. I am informed that the Canadian taxation law cannot be used to override the law of the flag which controls ships operating in other countries.

WORLD FAIR—REPRESENTATIVES ATTENDING PARIS MEETING

On the orders of the day:

Mr. Alan Macnaughton (Mount Royal): I have a question for the Associate Minister of National Defence. In view of the minister's interests and activities in connection with the world's fair for Montreal, has the minister's attention been called to the press report appearing on page 1 of the *Gazette* today? If so, what is the purpose of the meeting to be held in Paris and who are the persons representing the federal government?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, two subcommittees of the bureau of international exhibitions are at present studying the rules and regulations which apply to all world fairs or exhibitions, and in particular are studying the rules and regulations which apply to the petition which has been made by Canada to have the world fair of 1967 in the metropolis of Canada.

Some hon. Members: Oh, oh.

An hon. Member: One of them.

Mr. Sevigny: I say "metropolis" with due respect to the members from Toronto. The representatives of the federal government who are at present studying these rules and regulations are Mr. Kniewasser of the Department of Trade and Commerce, who is our trade commissioner in France; Mr. Bannerman, also of the Department of Trade and Commerce, who has taken a particular interest in the matter of world fairs in the past, and also Mr. Smith from the Department of Justice. May I say also that the city of Montreal is represented at these meetings by its mayor, Mr. Jean Drapeau, Mr. Lucien Hetu and Mr. Valmore Gratton. The province of Quebec, I am told, asked to be represented at these meetings by its delegate general in Paris, Mr. Charles Lucien.

REPORTED EXPORT OF TRUCK PARTS TO COMMUNIST CHINA

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Trade

and Commerce. It is based on a report in today's Toronto *Telegram*. Will the minister confirm or deny that an export permit has been issued to permit a shipment of approximately $62,000 worth of truck parts to the communist Chinese government by a Canadian automotive manufacturer?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, the Department of Trade and Commerce is aware that automotive parts, wholly manufactured in Canada by various automotive manufacturers, have been exported to the People's Republic of China in limited quantities. Automotive parts are not covered by any item in our export control list, and are considered to be legitimate export business for Canadian traders.

[*Later:*]

Mr. Garland: Mr. Speaker, I should like to direct a further question to the Minister of Trade and Commerce. In view of the statement he made in reply to my earlier question, and in view of the general unrest in North America on the subject and our obligation under NATO not to furnish strategic equipment to communist countries, or equipment that can be converted into strategic equipment, has the minister considered revising the present regulations to which he referred in his statement?

Mr. Speaker: Order. I think the hon. member is advancing an argument rather than seeking information.

LUMBER—REPRESENTATIONS RESPECTING IMPORTS INTO U.S.

On the orders of the day:

Mr. Bert Leboe (Cariboo): I should like to direct a question to the Minister of Forestry. What information has the minister relative to the progress of the hearings on exports of Canadian softwoods to the United States?

Hon. H. J. Flemming (Minister of Forestry): Mr. Speaker, the case before the United States tariff commission is being presented by various representatives of the British Columbia lumber industry especially. The information I have is that the final stage of the hearings has yet to be reached, and that this stage will take the form of the appearance before the commission of a number of United States importers of lumber and certain representatives of other United States groups. It is possible that these groups will be more sympathetic to the Canadian viewpoint than were the earlier United States witnesses.

It is felt that the Canadian delegation have made a very strong case, particularly in rebutting certain arguments put forward by United States interests. I shall be glad to keep the hon. gentleman informed as to any future information we have.

(Translation):

CANADIAN BROADCASTING CORPORATION

INTERVENTION IN DISPUTE WITH AUTHORS AND ARTISTS

On the orders of the day:

Mr. Gilles Gregoire (Lapointe): May I put a question to the Secretary of State?

Does he intend to intervene in the disagreement between the C.B.C. and the Canadian council of authors and artists?

(Text):

Hon. G. E. Halpenny (Secretary of State): Mr. Speaker, I will be glad to raise that matter with the officers of the corporation and advise the hon. gentleman.

NATIONAL DEFENCE

NORTH BAY, ONT.—CHANGE IN ALERT POSITION OF BOMARC CREWS

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to pose a question to the Minister of National Defence. Is it a fact, as reported by Peter Newman in the current *Maclean's*, that the R.C.A.F. crews manning the North Bay Bomarc station recently went off 24-hour alert and on to an eight hour day; and if so, can the minister advise the house the reason for this change?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I have no information I can give on that matter at the moment. I will inquire into it.

TRANSPORTATION TO EUROPE OF CF-104 PLANES

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to ask the Minister of National Defence if it is a fact that the first of the CF-104's is now being air transported in a partially dismantled condition to Europe by C-130 Hercules air transport. If so is there not, in the minister's opinion, a more economical way these planes could be transported to Europe?

Hon. D. S. Harkness (Minister of National Defence): The matter of transporting these planes to Europe was gone into in very considerable detail from a cost point of view by the R.C.A.F., and the conclusion was reached that this was the most economical means of getting them there.

AGRICULTURE

MARITIMES—REQUEST FOR EXTENSION OF CORN SUBSIDY

On the orders of the day:

Mr. Malcolm MacInnis (Cape Breton South): Mr. Speaker, I wish to address a question to the Minister of Agriculture. In view of the extremely urgent need for corn in the maritime provinces' agricultural industry, and since low grade western wheat will not be available as a substitute for another month, would the minister consider extending the subsidy on corn to the maritimes for another month beyond September 30, as requested by the provincial governments concerned and the maritime provinces federations of agriculture?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, a number of hon. members on this side of the house approached me some weeks ago on this matter, as well as the various provincial governments in the maritimes. I had the question looked into. Incidentally another hon. member on the opposite side of the house, the hon. member for Antigonish-Guysborough (Mr. Stewart), indicated his intention of asking this question today.

I may say in answer that the subsidy on corn shipments to the Atlantic provinces was instituted in April of this year to meet the deficiency of high energy feeds caused largely by the short western wheat harvest of 1961. When this subsidy was introduced it was announced and understood that it was a temporary measure which would be discontinued on September 30. However, the administrative arrangements did permit feed retailers to obtain subsidized corn up to September 30 to cover temporary forward needs.

On the basis of average utilization rates as compared with the total movement of subsidized corn to the area, there should be at present adequate supplies of high energy feeds in the Atlantic provinces to meet total requirements for several weeks yet.

HOGS—INQUIRY AS TO RESTORATION OF PREMIUM

On the orders of the day:

Mr. R. C. Honey (Durham): I wish to address a question to the Minister of Agriculture. Having regard to the necessity for hog producers to have accurate market information in order to regulate present breeding decisions, and in view of the statement of the Minister of Agriculture in the house on October 3 that the reduction in premiums on grade A hogs represented the contribution of hog producers to the national effort to reduce the budgetary deficit, can the minister advise the house if this premium will be returned to its former level when the austerity measures are lifted by the government?

Mr. Speaker: Order. The hon. member may feel that the subject is rather important. While I agree with him, I do not think that at the moment the information is urgently required.

(Translation):

TRANS-CANADA AIR LINES

MONTREAL-OTTAWA—REQUEST FOR BILINGUAL HOSTESSES

On the orders of the day:

Mr. Real Caouette (Villeneuve): Mr. Speaker, I should like to direct a question to the Minister of Transport. Yesterday, I was travelling from Montreal to Ottawa on board a T.C.A. aircraft, flight No. 259, and I noted that two hostesses were unilingual, that is to say they did not speak French. Now, while I have much sympathy and respect for the English language, and while I am trying to improve my knowledge of that language as much as I can, I should like to know whether the minister intends to take steps in order that the personnel of Trans-Canada Air Lines speak French as well as English.

Mr. Speaker: Order. I think that having made his representations, the hon. member is not anticipating a reply from the minister, since he is not trying to obtain urgent information on this matter.

Mr. Caouette: Mr. Speaker—

Mr. Speaker: I recognize the hon. member for Lincoln.

Mr. Caouette: Mr. Speaker, on a question of privilege. I think the Minister of Transport intends to reply to my question, and I should like to have a reply. I demand a reply.

Mr. Speaker: I do not think the hon. member may demand a reply, since no member may do so here.

The hon. member having made his representations, I consider his question as irregular for the time being. However, if the minister wants to reply, it is up to him to decide.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I am doing everything possible to settle to the satisfaction of everyone the problem of questions asked on the orders of the day. If the question period is to become a fishing expedition, it is the privilege of the members of the house to do so, but I fear that we will not achieve much as regards the business of the house.

Therefore, if a minister and a member have agreed on a question, it's all very well, but I am asked to rule on the matter at once, and I think that if the hon. member—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. If the hon. member would kindly examine the standing order concerning questions asked on the orders of the day, he will note that it is up to the Speaker to rule as to whether a question is regular or not, and that is why I often have to rule on the validity of a question. This is not a negative attitude, at least in my opinion. However, if the minister wishes to reply—

Hon. Leon Balcer (Minister of Transport): Mr. Speaker—

(Text):

Mr. Frank Howard (Skeena): If I may rise on a point of order, I think once Your Honour has indicated a ruling, as you have done in the past and as you have just done with respect to the question asked by the hon. member, you have no right to leave it to the discretion or desire of a minister as to whether or not he should answer. If we are to have rules or rulings on questions, then they should be rulings of your own and you should stick by them.

Mr. Speaker: In reply to what the hon. member has said, let me observe that perhaps he is setting a precedent which some day he might regret, inasmuch as he too might ask a question which the Chair might consider to be out of order but which a minister would be prepared to answer. I would advise him to judge the present situation in the light of what I have said. At no time do I wish to prohibit the giving of information, and if a minister is prepared to answer a question then it is in the hands of the house.

(Translation):

Mr. Balcer: Mr. Speaker, I do not want to discuss your decision because I accept it. However, since in the circumstances you mentioned I could answer the question, I must tell the hon. member for Villeneuve that I shall be pleased to co-operate with him in order to help him talk as often as possible with the T.C.A. hostesses. So I shall ascertain that his representations are referred to the management of the corporation.

Mr. Caouette: I thank the hon. gentleman.

[Mr. Speaker.]

(Text):

GRAIN

PROVISION OF STATUTORY BASIS FOR ACREAGE PAYMENTS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address to the Prime Minister a question which I trust is under the wire and above the belt. In view of the great expectations of prairie farmers will the Prime Minister inform the house when the government intends to place acreage payments on a statutory basis?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that question does not fall in either of the categories mentioned by the hon. member.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. D. S. Macdonald (Rosedale): I should like to address a question to the Minister of Finance, and may I take this opportunity of congratulating him on his assumption of his new responsibilities. The question relates to one of them, and has to do with the Currency Act. The question is this. Has the government entered into contracts with the two major printers of bank notes in Canada for the preparation of a large supply of funny money in order to fulfil the conditions of the government's most recent political alliance?

Mr. Speaker: Order. While the hon. member may have wished to make certain observations, I think he has plenty of opportunity in the throne speech debate to make comments of the nature of those he has made. Without attempting to give a lecture, may I say that this type of question is the thing that turns the orders of the day question period into something that is not in the best traditions of this house.

FINANCE

REFERENCE TO SUPREME COURT OF IMPORT SURCHARGE ORDER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In order to clear up a matter of serious uncertainty, will the government give consideration to referring the surcharge on imports order to the Supreme Court of Canada under section 55 of the Supreme Court Act for determination as to whether or not the order is valid?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there is no uncertainty. Therefore the government will give no consideration to the submission contained in the hypothetical question.

[*Later:*]

Hon. Paul Martin (Essex East): May I ask the Minister of Justice a question based on the reply which the Prime Minister gave a few moments ago regarding the legality of the surcharge order in council. Will the Minister of Justice table in this house or give to this house the legal opinion which he told us yesterday the government received prior to the decision of the government to impose its austerity program?

Hon. Donald M. Fleming (Minister of Justice): I said we had received the opinion of the deputy attorney general, and we did. I did not say that there was a formal written opinion.

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): There are communications that pass between a minister and his deputy on this subject, Mr. Speaker, or any subject which are regarded as privileged. I made the statement that the deputy attorney general of Canada had given an opinion that the order was valid and within the authority conferred upon the governor in council by this parliament.

Mr. Martin (Essex East): May I ask a supplementary question. In view of the fact that the Minister of Justice in 1947, and the Prime Minister in that same year, said that the government of the day should produce the legal opinion given to the then government by the law officers of the crown, will they explain to the house the answer the minister has just given? Is he not—

Some hon. Members: Order.

Mr. Speaker: Order. I think all we are doing is reviving last night's debate, which was concluded with the vote on the amendment.

Mr. Martin (Essex East): On the point of order, may I say that during the course of the debate yesterday the Minister of Justice spoke. The Prime Minister did not speak. He did make an answer on the subject a few minutes ago, and I am now asking if the Minister of Justice will table the legal opinion which the Minister of Justice's reply yesterday indicated was a written opinion and which he now says was oral.

Mr. Speaker: I am not commenting on the first question which the hon. member asked, which was whether the minister would table something. He received a reply. His supplementary question is a straight revival of last night's debate in this regard. I think the hon. member fully understands the rules on this point.

Mr. Martin (Essex East): If Your Honour will bear with me, I should like to say a word on this point of order. Your Honour will recall that the Minister of Justice said that while the opinion was oral, there had been an exchange of letters between the law officers of the crown and the minister which he regarded as privileged. This indicates that there was, in fact, a written opinion. My question, which I ask with great respect I be allowed to persist in putting, is, in view of the attitude taken by the Minister of Justice and the Prime Minister in 1947, could we be given now or at the earliest possible moment the written opinion of the law officers of the crown which will determine whether or not this government was advised as to the legality of the austerity program?

Mr. Fleming (Eglinton): Mr. Speaker—

Mr. Speaker: Order. Notwithstanding the fact that the hon. member finished his question, I have not changed my opinion as to the nature of his supplementary.

Mr. Martin (Essex East): What does that mean?

Some hon. Members: Order.

Mr. Martin (Essex East): Speaking to the point of order, may I say that we cannot have matters left in this way. Either my question is improper and should not be answered, if Your Honour so rules, or if it is proper Your Honour should not leave the matter where it is, as indicated by your remarks of a few minutes ago.

Mr. Speaker: I thought I had made it reasonably clear that I consider the supplementary question which the hon. member was pursuing was reviving an argument made in the debate that had been pursued yesterday evening, and upon which there was a vote. The matter, therefore, is concluded. I permitted the hon. member, at his request, to complete his question, and I have indicated that nothing which he added to his question changed my opinion that he was reviving a debate that was entered into yesterday evening.

(Translation):

LABOUR CONDITIONS

WINTER WORKS IN UNORGANIZED MUNICIPALITIES

On the orders of the day:

Mr. Gerard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to

the Minister of Labour. Could he tell me if steps will be taken this autumn, under the winter works program, to come to the assistance of parishes which are not incorporated as municipalities and which the county councils do not want to look after?

Mr. Speaker: I am afraid that this time the hon. member is asking a question which, in my opinion, does not seem very urgent at the moment.

(Text):

WINTER WORKS—HIRING OF REGULAR SUMMER EMPLOYEES

On the orders of the day:

Mr. Arnold A. Webster (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Labour. In the administration of the winter works program, are municipal authorities prevented from hiring regular summer employees who have now been laid off but who are not registered as social assistance cases? Will the minister make a statement to clarify this matter?

Mr. Speaker: Order. The hon. member is asking for clarification of certain detailed rules of a particular program which are a matter of public record, and I suggest to him that his question would better appear on the order paper.

PUBLIC SERVICE

PARKS BRANCH—ALLEGED INCOMPETENCE OF SENIOR OFFICIAL

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask a question of the Minister of Northern Affairs and National Resources. I should like him to tell us what is the present status of Mr. Coleman, a top official of the national parks agency, in the light of published reports that the hon. member for Bow River (Mr. Woolliams) and other Alberta members of parliament have gone to the Prime Minister asking for his replacement on the ground, as I understand it, of alleged incompetence.

Mr. Speaker: Order. The subject matter having existed for some considerable time, I do not think an answer to that question is urgently required on orders of the day.

Mr. Fisher: On a point of order, Mr. Speaker, you say that the subject matter has existed for some time. All I know is that I saw it very recently. It certainly is a question at issue, and the minister should give an answer when one of his senior officials has been criticized in this way.

Mr. Speaker: Order. I do not disagree with the hon. member that the matter may be important, but the point at issue as far as I am concerned is whether the answer that he is seeking from the minister is urgently required at this time in our proceedings.

Mr. Fisher: At what point in the proceedings would it be proper?

Mr. Speaker: Orders of the day are not the time when we seek all sorts of information of this particular type.

Hon. J. W. Pickersgill (Bonavista-Twillingate): On the point of order raised by the hon. member for Port Arthur, I would respectfully draw Your Honour's attention to almost any day's *Hansard* in the mother of parliaments, where it will be found that questions having to do with the civil rights of a subject, however obscure that subject may be, are always allowed by the Speaker of that house. I suggest that when a very senior servant of the government is criticized by a member of this house, who suggests he should be dismissed, it is a proper matter for inquiry on the orders of the day at the first possible moment, if we are to uphold the rights of the subject, which is our first duty in this house.

A. S. WHITELEY—GRATUITY IN LIEU OF RETIREMENT LEAVE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Justice. If Mr. A. S. Whiteley is retired at the end of this month as a member of the restrictive trade practices commission, will consideration be given to granting him a gratuity in lieu of retirement leave, as provided in the regulations under the Civil Service Act?

Mr. Speaker: Order. I believe the hon. member is making a representation rather than seeking information of the sort that should be given on orders of the day.

Mr. Knowles: On a question of privilege, Mr. Speaker, I think we will have to have a session about this whole matter of questions. This is a matter in which the fate of an individual is at stake, but we have been unable to get answers to the questions we have been asking in order to find out whether consideration will be given to the protection of his rights as a civil servant. In fact I put my question to the Prime Minister. In view of the fact that under this government the Civil Service Act was amended—

Mr. Speaker: Order. The hon. member is speaking now on a question of privilege, and privilege is a matter of the rights of an individual member or of members of the house as a whole, and as such it very rarely arises as a question in this house. As I said

yesterday, I am not for one moment downgrading the importance of the subject matter about which the hon. member may wish to direct a question. What I am trying to do is to limit orders of the day to those questions where information is urgently sought which cannot be obtained otherwise, so that we can get on with what I conceive to be the appropriate business of the house.

Mr. Knowles: May I submit that this is a question concerning which it is urgent that an answer be obtained before time runs out, so that if anything is going to be done to protect the rights of this civil servant it will be done in time. I would press my question to the Minister of Justice.

AIRPORTS

VANCOUVER, B.C.—CONSTRUCTION OF LANDING STRIP AT SPANISH BANKS

On the orders of the day:

Mr. Arthur Laing (Vancouver South): Mr. Speaker, I have told the Minister of Transport of my intention to ask him today if his department has any interest in or any knowledge of the proposed building of an airplane landing strip at Spanish Banks in the city of Vancouver?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I am aware of the project that is mentioned by my hon. friend but I must say that the Department of Transport has no interest whatsoever in the project.

UNEMPLOYMENT INSURANCE

REQUEST FOR TABLING OF MINUTES OF MEETING

On the orders of the day:

Mr. W. H. McMillan (Welland): I should like to direct a question to the Minister of Labour. When did the advisory committee of the unemployment insurance commission last meet, and when will the findings of that meeting be tabled?

Hon. Michael Starr (Minister of Labour): They met in the middle of this year—I do not know the exact date—and their recommendations have been tabled in the house and have been available to members for the last two weeks.

FISHERIES

ALEUTIAN ISLANDS—ACTIVITIES OF RUSSIAN SHIPS

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Fisheries. Has he any knowledge about the movements, numbers and purposes of Russian fishing boats or other craft in the area around the Aleutian islands, with specific reference to the movement of those vessels in a southerly direction toward British Columbia waters?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, my department has no specific information on this matter, other than that the official publication of the United States fish and wildlife service has reported a fairly large Russian fishing fleet active in the Aleutian islands area, but there is no confirmation that it is moving toward Canadian waters.

NEWFOUNDLAND—REPORTED SHORTAGE OF BAIT

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Fisheries whether his department has taken any steps to relieve the shortage of squid in the Newfoundland fishery.

Mr. Speaker: Order. I am wondering whether the question of getting the information has become any more acute today than it was yesterday. I am sure the problem is of the same type, and I am sure that the representations which hon. members made in that regard yesterday, and the hon. member was one of those, have been duly noted. But there again, is it within orders of the day?

Mr. Pickersgill: On the point of order raised by Your Honour, I submit that the question I asked today is not the same as the question that was asked yesterday. I inquired, and I was only inquiring, whether the government had taken action. The question asked yesterday was a question about intentions. I was asking about a matter of fact. I submit to Your Honour that squid are just as important in the fishery of Newfoundland as corn is in the maritime provinces, and Your Honour raised no question about corn.

Hon. J. A. MacLean (Minister of Fisheries): The answer is yes, Mr. Speaker, but not the action that was suggested by yesterday's question.

(Translation):

INCOME TAX

QUEBEC—COLLECTIONS FROM PRIVATE POWER COMPANIES

On the orders of the day:

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I gave the Minister of National Revenue notice of my question.

I should like to ask him what was the amount of taxes paid to the federal government in 1961 by private power companies in the province of Quebec.

Inquiries of the Ministry

Mr. Speaker: Order. I think the hon. member fully understands that his question requires detailed statistical information and that it is not proper on the orders of the day.

HARBOURS

MONTMAGNY, QUE.—REQUEST FOR REMOVAL OF OBSTRUCTION

On the orders of the day:

Mr. J. P. Cook (Montmagny-L'Islet): Mr. Speaker, has the Minister of Public Works considered the question I asked him on October 4 last, which was put on the order paper under No. 112?

Hon. E. D. Fulton (Minister of Public Works): Mr. Speaker, I will look in *Hansard* and I shall reply later to the hon. member.

(Text):

BUSINESS OF THE HOUSE

ALLEGED IMPROPER USE OF QUESTION PERIOD

On the orders of the day:

Mr. Georges Valade (St. Mary): I rise on a point of order, Mr. Speaker, which I regret bringing before the house. It relates to a breach of the rules that we witnessed this afternoon by the Liberal party, so I think I have to bring up this point of order. I want to mention this point of order because three members of the Liberal party have broken the rules this afternoon by asking questions of the ministers pertaining to articles—

Some hon. Members: Order.

Mr. Valade: I am putting my point of order.

Mr. Speaker: Order. If the hon. member is, as I assume, endeavouring to state his point of order succinctly he should be allowed to do so without being interrupted by repeated calls of "Order" from either side of the house. If the Chair is to make a ruling on the point of order I should be allowed to hear it clearly.

Mr. McIlraith: There is no question before the house on which a point of order can be raised.

Mr. Speaker: The hon. member for St. Mary is stating a point of order; he has the floor.

Mr. McIlraith: There is no question before this house and a point of order cannot be raised. The rules are clear on that.

Mr. Valade: The reason I am bringing forward this point of order is that three members of the opposition have read articles from newspapers and have asked ministers to confirm or deny those articles. This is entirely contradictory to the rules according to Beauchesne, citation 177. The members of the opposition are wasting the time of the house on articles appearing in newspapers, and I think this is contrary to the rules. I should like Your Honour to take a position in this respect so that the Liberals, either by ignorance or otherwise—

Mr. Speaker: Order. The Chair is endeavouring to see, although it seems to take some considerable time to get the point across, that the questions asked during the question period are of a kind permitted on orders of the day. I must say that I believe it is contrary to the spirit of orders of the day when hon. members take this or that article and ask a minister to confirm, deny or comment upon them. I believe that has been amply shown to the house.

However, I must say that I am not in the confidence of all the members of this house in this regard, nor do I feel it is the Speaker's job to read over their shoulders if they are able to use long range vision and refer to some newspaper article. I leave it to hon. members to govern themselves discreetly and properly within the rules. I do not see that the raising of the point of order has helped too much at this time.

(Translation):

PRIVILEGE

MR. CAOUETTE—REFERENCE TO ARTICLE IN "LE SOLEIL"

On the orders of the day:

Mr. Real Caouette (Villeneuve): Mr. Speaker, I rise on a question of privilege.

The Dumont incident was largely commented on last week in the province of Quebec and here is a report carried by *Le Soleil* on October 6:

> That is only the beginning, told me Liberal whip J. A. Habel while one of his colleagues predicted that in the end, Mr. Diefenbaker will be so ashamed of owing his political survival to those clowns that he will call for an election himself.

I state here that there is no question about the integrity of our group in this house and I say that the biggest clowns ever seen in Canada since it became a country are the Liberals as we have seen and heard them in action—

Mr. Speaker: Order. I must call the hon. member's attention to citation 113 of Beauchesne dealing with questions of privilege.

With all due respect I do not think the hon. member can raise a question of privilege, and retort by calling another group the same name.

I do not believe there is ground to raise a question of privilege at the moment.

(Text):

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, October 9, consideration of the motion of Mr. Gordon Chaplin for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Speaker: Order. Would hon. members who are leaving the chamber please do so as expeditiously as possible and without entering into conversations on their way out so that the hon. member who has the floor may address the house.

Mr. E. A. Winkler (Grey-Bruce): Mr. Speaker, like all those who have preceded me in this debate I wish to extend my congratulations to you and Mr. Deputy Speaker on your elevation to the high offices you hold. Though my words may be brief, and though your job is becoming more difficult, my thoughts for you are none the less sincere.

I extend the same compliments equally sincerely to the mover and seconder of the address in reply to the speech from the throne, and before proceeding further I should like to pay tribute to the efforts put forth in this house by the deceased member for Wetaskiwin, Mr. Speakman, on behalf of the veterans of Canada and in the field of agriculture, as well as all his other interests.

Before making any comments on the debate which has taken place so far I should also like to make some specific mention of the assistance that has been rendered to me by the ministerial benches. I particularly mention the Minister of Agriculture because I represent two counties in Ontario, the county of Grey and the county of Bruce for which, as well of course as for others, the minister has laid down a program the implementation of which, he assured me within the last few days, will be expedited.

I would be remiss if I did not mention the Minister of Northern Affairs and National Resources, to whom I extend my gratitude for instituting, in conjunction with provincial authorities, a survey program for determining the feasibility of establishing a park in the Bruce peninsula. I also recognize the assistance given by the hon. member for Bruce (Mr. Robinson) and the hon. member for Grey North (Mr. Noble). I hope this park will be established in the vicinity of the terminating point of the Bruce trail, which will probably come to fruition in 1964 or 1965.

Now, Mr. Speaker, I have some thoughts to put forward on things that have been said in this house. These subjects have been brought back to me in some cases by my constituents and in other cases by the newspapers which have some influence in the riding I have the privilege to represent. They deal with the efforts of the official opposition to downgrade and vilify the Prime Minister of Canada, and hence the Canadian people. Unquestionably the Liberal party has downgraded the standards of political life. They have done this not only in the past but during the last few days in the course of this debate. For instance, there was the statement by the hon. member for Bonavista-Twillingate, which is to be found on page 216 of *Hansard* for October 4:

> I might say, sir, that if anyone wants to see how the Prime Minister looked that day himself it is recorded on page 38 of *Newsweek*, the issue of July 2, and I commend it to the hon. gentlemen opposite.

That is a statement which is very definite in its implication, and there was a further statement by the same hon. member, to be found at page 218 of *Hansard*, when he made this remark in regard to the Minister of Justice:

> He can get up and make a speech in this debate if he dares.

That was rather typical of the hon. gentleman from Bonavista-Twillingate. Earlier than that, as recorded at page 73 of *Hansard* for October 1, the leader of the official opposition said:

> If the government tries to tell us that it has continued to play an increasingly effective role in international affairs, then I would ask it to present the evidence in support of that.

Then there was the statement made last evening by the leader of the official opposition replying to the invitation of the Minister of Finance, in which he said:

> Presumably it was to apologize to the Prime Minister for what I have said about the attitude of the Prime Minister and his government on the common market—

There are other things I would like to comment on with regard to the interest shown by my constituency, by myself, and by other people who support the stand that we take.

First of all I regret that the Leader of the Opposition is not present, because I wish to remind him that on many occasions and in many circumstances I supported him because of his type of personality and the type of man he was, in the past, but not the type he has now become. Some time before the end of the

last parliament he made a speech in my home town of Hanover in which he said:

Our influence as a country abroad has diminished.

This will be found in the Owen Sound *Sun-Times* of that date. There are many other such quotations that I could use. I could refer to the one used by the hon. member for Queens-Lunenburg, from a speech made by the former minister of public works when he stated Canada was on the verge of bankruptcy. I could also refer to another statement made by the same man at Sherbrooke, Quebec, when he said that Canada's prestige had been lowered and it had even lost the confidence of its own people at home. If these were not deliberate efforts to downgrade our country and our political life, then I am afraid I must be wasting my time here. I say that because it is the type of representation in this house and the support and assistance I have received, in my own experience, from the ministers of the crown that permit me to stay here in my own good conscience to serve the people of my constituency, and not the sort of thing that has been coming from the other side, particularly from the senior members.

Let us go back a step further, Mr. Speaker. This all did not happen in very recent times. For instance, we recall the many, many speeches made by the hon. member for Essex East (Mr. Martin) and the great effort he made to play up the circumstances that existed when we were having a difficult time finding employment for all the workers of this country.

I refer hon. members to a newspaper article published in the Galt *Evening Reporter* by one of the local members of the press gallery. He said:

The Hon. Paul "Mother Goose" Martin is spreading his fairy tales with a heavier hand than ever. But it is as a wicked fairy that he continues his three year old campaign of smearing Canada as a country of misery, depression and unemployment.

This was about the hon. member for Essex East, and you will note, Mr. Speaker, that he has been rather quiet of late; just a little bit quiet.

Mr. Martin (Essex East): You are going to arouse me if you continue.

Mr. Winkler: We know why. Is he now unhappy because a lot of Canadians are working, more than ever before in the history of our country? This reporter goes on to say, of the hon. member for Essex East:

Would not his pulse quicken with glee, if he could rise in the house and talk about one million Canadians out of work?

But it is a regrettable effort on the part of the hon. member for Essex East. That is not all. I could go on all day, but I have chosen these examples because I am endeavouring to prove that the members of that party did what they could to the best of their ability to downgrade this country and vilify its leaders, particularly the Prime Minister. This quotation comes from the Owen Sound *Sun-Times*, the only daily printed in the vicinity of my constituency. It is the issue of February 10, 1962, after the hon. member for Essex East made a terrific attack on the government's policy of endeavouring to get people back to work. The commentary was this:

And, as so often is the case of such critics, he took the risk of actually harming the nation's economy to attain his end.

I wonder what that end is. I do not think it is very difficult for hon. members of this house to see, although it may not be the same in all quarters of the country. It might be wise at this time to warn the leader of the official opposition that he has other problems to deal with. Perhaps the hon. member for Essex East is sitting in his quietude and waiting for a campaign to start on that side of the house; or perhaps it would be the former minister of public works, in view of that speech in Lunenburg and Sherbrooke, Quebec, who is waiting; or would the elections in Quebec have any connotation regarding what we might expect as the leadership of the Liberal party in the near future? I do not know; but it all looks very, very significant to me.

Then let us consider what the country had to read about statements that were made regarding the Prime Minister's efforts overseas in relationship to Britain's entry into the common market. I will read from the Ottawa *Journal*. I admit that here we can perhaps expect a little sympathy for our stand and our views. Here two questions appear in regard to statements made about Canada in the commentaries of newspapers of Great Britain. This article specifically mentions the *Observer*, the *Sunday Telegraph*, and so on. The two questions posed are these:

(1) Who inspired these offscourings in the London *Observer*, and (2) does Mr. Lester Pearson, who from Ottawa kept stabbing Mr. Diefenbaker in the back every day he was in London, go along with them?

These were very derisive statements. I am sure most hon. members have read them. I wonder if that is true. Certainly his activity all through the period when the Prime Minister was out of the country will require some sensible answer, if it is possible, to those two questions. Or I wonder, does the Leader of the Opposition not understand that without putting forth a strong view and a strong stand at that time, Britain's own position

would be weakened upon going into the common market. It would have been weakened today. Not only our Prime Minister, who may have taken the lead and I hope he did—but every prime minister of the commonwealth understands that when the time comes for Britain to enter the common market, not only should there be a strong political union, but our rights and privileges should not be lost. We wish to feel as important a part of the commonwealth in the future as we have in the past. Our contribution, Mr. Speaker, as you know, has been a very substantial one.

How far will the Liberals go to smear a leader, a policy or a country? I hold in my hands—hon. members may possibly have seen it—a pamphlet without any heading, not being authorized by anyone, which is headed on the back, "Can the deceivers govern?" On the front page there are two pictures of the Prime Minister, in one of which he is very well dressed and in the other he is supposedly in rags. One picture is dated June 18, 1962 and the other June 25. This may be all in the course of putting their propaganda to the country, but let me tell you, Mr. Speaker and hon. members of this house, that this was a piece of literature that came to me from the Liberal booth at the Canadian National Exhibition in Toronto. How did it come to me? It came to me through a gentleman who is concerned with the export of Canadian goods out of this country, who does quite a substantial amount of business with the Chinese nationalists.

This was handed to a Mr. Wu, who is the Chinese trade commissioner from Taipei. What can we expect outside this country if they try to dish this out at one of the places where we have international figures coming in to buy our products? Can we expect any increase in trade? It is a wonder to me that the Minister of Trade and Commerce is meeting with any success whatsoever in his programs, and it is a wonder that such booths are set up at places where these international buyers can come and buy our products. It is a wonder to me, also, that these people do not put up loudspeakers and tell them not to buy. That is what they are trying to do, and they are not making too bad a job of it.

I might say that it bears the name of Mr. Kuch in the top right hand corner. The editorial was taken from the Winnipeg *Free Press*.

Some hon. Members: Oh, oh.

Mr. Winkler: Nothing more need be said. It is interesting to note that while all this was going on in regard to Canada and their efforts to downgrade our position internationally, all the newspapers across the country that were sympathetic to them did not necessarily agree with them. We read this in the daily *Packet and Times*. It has been referred to before in this house. This is published in the city of Orillia, Ontario, and it is a newspaper that is noted for being neutral. I say it again, Mr. Speaker; it is noted for being neutral:

> Whatever his limitations, and they are not nearly so many or so marked as his critics would have us believe, history—

Listen to this, Mr. Speaker, and hon. members across the way:

> —history will show Mr. Diefenbaker to have been one of this young nation's ablest leaders.

Then I ask you, Mr. Speaker, which one of the hon. members opposite wants so badly to be leader of the campaign they have been carrying on?

Perhaps I may digress from my remarks at this particular moment, but this is very relevant. I did not see the program referred to on C.B.C. television, but I have before me an editorial, again from the Owen Sound *Sun-Times* of September 18, 1962, which makes some comment in this regard. Again, it seems to me there are people in other places who would carry out the Liberal program. This is what the editorial has to say with regard to a program called "Anatomy of an election". They call it the "vivisection of a Prime Minister":

> There was one quick reference to Diefenbaker's "finest hour" following a quickie shot of his Vancouver reception.

Then they go on to say:

> We think the Prime Minister had many fine hours—

And this is true. The truth is that when these people go out of their way to destroy a person, they certainly know how to approach such a program.

Now I should like to move on a step further, because I have some interesting communications from my constituency in regard to what has transpired recently. I should like to say this: we heard a debate yesterday which culminated last evening in a vote. That vote was determined fairly and squarely. There are many indications around the house of who is getting into whose political bed. But these do not concern me as a supporter of the government. Why? Because, again, there is a deliberate program opposite. Let us consider the hon. member for Leeds (Mr. Matheson). I regret he is not here, because he is the fellow who rose in his place and said he could vote with the Social Credit party if they would lose their name. That is what he would have everybody do—lose their names and join him.

Mr. Martin (Essex East): He did not say that.

Mr. Winkler: He said that, and that is a fine way to respect elected representatives in this house.

An hon. Member: Quote *Hansard.*

Mr. Martin (Essex East): On a point of order, what the hon. gentleman is attempting to do is to establish that the hon. member for Leeds took a position in this house which in fact he did not take. The hon. member for Leeds suggested that if, in the Social Credit amendment, the words "in accord with Social Credit principles" were withdrawn, then it would be possible for him to support the motion. That is not what the hon. gentleman who has the floor was attributing to the hon. member a moment ago in seeking to suggest that the hon. member for Leeds was prepared to adopt Social Credit.

Mr. Deputy Speaker: Order. That really is not a point of order or a question of privilege. I am sure the hon. member for Leeds is capable of speaking for himself if he has been misquoted.

Mr. Martin (Essex East): He is not here to do so.

Mr. Winkler: Not only that, if they were interested in anybody else's opinions in this house there would be more than 19 members sitting in those seats over there now. We certainly extend to them a great deal more deference than that. I think the hon. member for Leeds would be better occupied trying to drum up more enthusiasm among his own members. Anyway, my statement stands. If he will withdraw his, then I will withdraw mine.

Whom do the Liberals crawl into bed with? There is no question of what their intentions are in this house. Not only that; there is something much more deliberate. Does anyone in this chamber think they want an election right now? Let us not be deceived. I say this because on every occasion, prior to every one of the votes which have been taken there has been a definite smear made by one member of the Liberal party on the Social Credit party. It is not a case of whether I agree with it or not. That is not what I am trying to point out. My point is that they are making a division between parties in the house in order to make absolutely sure they do not have to go back to the country.

The Leader of the Opposition has made it plain where he stands on the taxation issue. Regardless of what certain principles may be, any one of the elected representatives here can ask his constituents what the effect has been. When I quoted the Leader of the Opposition as saying that an apology should come from across the floor to him, I refer you, Mr. Speaker, to the article and the cartoon put out as Liberal propaganda at the Canadian National Exhibition and I ask you, Mr. Speaker, from whom the apology should come. It should come from every one of them.

I wish now to turn to the actualities of our present economic situation and the attitude of the public towards the measures taken by the government. It seems to me that the Liberal party has entirely failed to take this into consideration. That may be perfectly right, because they do not take many other people into consideration, anyway. Let us refer at this point to the great argument made last night by the hon. member for Essex East on this subject and the legalistic approach he took to the situation in which the government found itself. He may or may not have been right. I couldn't care less. Today, I am satisfied that the right thing has been done and I am prepared to justify this by a little more comment based on communications I have received from my constituents which I have in black and white here before me.

To introduce this, may I say that all the cry and howl by the Liberals on the question of these surcharges and taxes should lead us to reflect on the situation as it exists in this country. For instance, Canada is the largest spender on imported goods in the world. This country is spending per capita $235 a year on imported goods as compared with $35 in the United States, $75 in Great Britain and $60 in West Germany. Does this in itself not give us good cause to consider what we have to do. What do the Liberals want to do? Do they want to ruin our secondary industries completely? That is what would happen if they had their way. However, things are straightening themselves up. I should like to quote from the St. Catharines *Standard* of August 15:

> Canada's current dollar crisis notwithstanding, a number of the foreign countries that trade with Canada persist in trying to tell us that it is in our own best interests to import more from them. Trade, they continually remind us, is a two-way street and if we do not buy from them we cannot, in turn, expect to sell.

Mr. Speaker, we have to wake up to the fact that what this government is doing now is not only plainly beneficial in its effects but might well have to be continued for some time. I have received a letter from one of the largest manufacturers in my constituency. As a matter of fact he is the largest manufacturer in his field in the entire country, and he says this—I quote part of the letter:

> As at time of writing we are operating with full staff. Some departments are on overtime and as a result of excess business accumulated commencing during the summer months we presently have the largest backlog on hand since 1958 and it is increasing each week.

That is what I like to hear. This sentence, I think, is even better:

> It is odd, too, to see the apologetic approach of so many of these buyers. Long live austerity—and may it never end as far as I am concerned.

That is proof of the value of the program which we have put into effect. Possibly it should have been brought in some time ago. I am all in favour of it myself. I have received further letters from producers of poultry in my constituency, as well as letters from other producers. They all support the program. Not only do they support it, but they do not want it to be removed even when our present exchange position improves. Let the Liberals be a little more careful, then, in assessing the effects of what this government has done and is doing. I ask you, Mr. Speaker, how can a country with a population of 18 million compete on the markets of the world when our secondary industries are at their present stage—a stage at which in most cases a mere 10 per cent of the industrial capacity of our neighbour to the south could lock the doors of any of them? Again, I refer to a telegram received by the hon. member for Waterloo South (Mr. Chaplin):

> Dear Sir, we want to forward this information to the Prime Minister. The Kitchener Waterloo *Record* of Wednesday Oct. 3 had an editorial entitled Pearson harps too much on one issue. The third paragraph says Mr. Pearson concentrated his fire on the governments concealment of the impending dollar crisis which he termed a major political fraud.

This is the important part:

> He also said that the crisis didn't come like a bolt from the blue but that it had been building up for some time back. The industrial committee of the Hespeler chamber of commerce takes exception to this type of talk and has called it political treason and wants it known that the town of Hespeler is bursting at the seams industrially working day and night shifts in all textile and metal factories and has expansion programs on hand and attribute this to the devaluation of the dollar. Adjacent towns and cities in this mid-western hub of industry are experiencing the same kind of industrial boom. We think Canadians everywhere should be told the truth.

The only thing I am inclined to do today is to put the situation before the house the way the people back home see it. This is the kind of member I hope that I can always be. I wish to represent my people in the best way possible and in their best interests.

To me it was interesting to hear some of the comment and criticism that was made against the speech from the throne when this debate opened initially. Then, of course, it came down to leaders day when we heard the Leader of the Opposition put forward his alternatives, and to review the whole thing in the light of what has happened in the past. I refer not only to the recent past but a few years back.

I noticed that in one of his programs—he has five points as you will recall—is a government boost to construction, including a municipal loan fund to finance local works projects. There are a number of measures to provide this kind of assistance in the throne speech. Number two, a program to seek out new ways of expanding industrial production. For instance, the automobile industry imported $300 million worth of car parts. Surely a good fiscal policy is to increase the Canadian content of cars made in this country. Surely it is understood that this is what we are trying to do. We presented a program in this regard and we are endeavouring to assist it through labour and management organization. Four, a national health—

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but his time has expired.

Mr. Winkler: I wonder whether I might be extended an extra moment that was taken up by the hon. member.

Some hon. Members: No.

Mr. Arthur Laing (Vancouver South): Mr. Speaker, in this my first attempt to speak at any length in this 25th parliament of Canada I wish my first words to be those of congratulation to you upon your appointment as our Deputy Speaker. Were he here, I would also extend my congratulations to our Speaker. I extend them to both of you because, like myself, you come from the western tier of Canadian provinces where the sun lasts longer every day.

I must also extend my congratulations to the mover and the seconder of the address in reply to the speech from the throne. I do so particularly because in September, 1949, in this place it was my honour and responsibility to do the same as they did on this occasion. I wish to say to them that I was particularly delighted that they had a great deal more composure than I was then able to achieve or than I am able to muster today. I hope their sojourn here is profitable and I feel certain they will contribute a great deal to this beloved country of ours.

I wish to deal today with a government which I think, out of some experience, is supported by the most curious parliament I have ever seen. I was here for four years only. Since then I have spent some time—and I may say it has been a very interesting and indeed hard time—in the legislature of one of our provinces. However, I cannot believe some of the things that I hear in this chamber.

An hon. Member: The Liberals.

Mr. Laing: No, my friend, it is not the Liberals. I cannot believe the attitude of a government which sits on the front benches as if nothing had ever happened; which does so in spite of the problems which are known to everyone, problems which are probably put forward as an assertion from this side and met by a denial from the other side. It is not important that people on this side say that a certain condition exists, that the government let Canada down or that we do not stand where we stood previously, or that members upon the other side deny that is the case. The important thing is whether the people writing this material believe it to be true. When I see a magazine like the *Economist* of London with its "Shaky Canada" on the front page, with its two articles, "Canada Sags" and "Canada's Warning" and then observe the attitude of nonchalance that exists on the front benches of this government, I am worried for Canada.

I wish particularly to bring forward a point of view from the western tier of provinces of Canada. In my opinion we who are from that area would not be doing our duty if we did not bring it to the attention of this house. I am addressing myself particularly to world commodity prices and the position of the western provinces in selling raw materials at the basement bargain prices of the world today. I wish to draw the attention of the house to the fact that since 1947 world commodity prices have slipped very seriously. Lead and zinc, of which we produce a tremendous amount in British Columbia, are off 40 per cent from their high. The price was 16 cents and 17 cents a pound and last week lead broke 10 cents. Aluminum is off 20 per cent, copper is off 40 per cent from its high. Lumber is off 10 per cent. Although lumber sales are relatively easy to make, nevertheless lumber is off 10 per cent from its high on a world commodity basis. These things are of particular concern to my province of British Columbia, the province of Alberta and the province of Saskatchewan. We are unlike the two great central provinces in which is found 66⅔ per cent of the population of Canada. We have not that great home market at our door. We are obliged to sell into the world market at the lowest possible price that can be obtained.

I was interested in the action of this government when the Prime Minister went to the conference of commonwealth prime ministers. I do not think this government is aware that only 17 per cent of everything that Canada exports at the present time comes under the commonwealth preferences. I do not think they are aware that only 4 per cent of protection is granted under these preferences. When insistence is made that we must hold the mother country to the preferences, I think we are acting in a manner which indicates that we do not realize that history has moved on and that these preferences have not the validity nor the advantage to Canada which they once had. In Canada—and my province of British Columbia is a particular example of this—we are depending upon the great nation to the south of us to purchase our goods. Last year we exported to the United States $629 million worth of newsprint; of book paper, with some more Canadian labour in it, $1,300,000 only; of writing paper, with a great deal of Canadian labour in it, $58,000 only. However, we exported $629 million worth of newsprint. Of lumber we shipped out $250 million worth; of Douglas fir plywood, which my people in British Columbia would like to sell in the United States, $128,000 worth only; of iron ore, $95 million, but of steel manufactures of all kinds only $13 million; of aluminum pigs, $54 million and of aluminum fabrication of all kinds, only $7 million; zinc slabs, $13 million, zinc fabrication of all kinds, $96,000; lead pigs, $9 million, lead pipe, $125,000; asbestos fibres, $45 million; asbestos products of all kinds, $119,000; nickel ingots, $136 million and nickel fabrication of all kinds, only $4 million. Here is a situation in which these raw materials have to go into the world market at the lowest prices.

I wish the Minister of Trade and Commerce had been here today because I had intended to implore him not only to be more active in his own department but to seek the support of other departments. He spoke in this debate and he indicated he was doing a number of things. He was bringing our trade commissioners together, which is a splendid thing. He was bringing buyers from th United States on these so-called champagne trips to buy goods in Canada, and I have no objection to that. But I put it to you, Mr. Speaker, that attempts to sell are largely the responsibility of the manufacturer himself and that government activity in this regard should be directed toward negotiation with governments and the conditions in the countries in which we try to sell. I do not think that has been done adequately.

I should like to know to what extent the government has gone to the department of commerce in the United States and pointed out to them that we cannot forever have an imbalance of trade of the nature that now exists between our two countries. I remind the house that in the first four months of this year we had an adverse balance of trade with the United States alone of $218 million. Would it not be possible for the government to put the proposition to the government of

the United States that we have to equate our sales, that we have to sell them as much as we buy from them and therefore they must lower their tariffs to the point where we can export to that country some goods with a higher Canadian labour content?

My friend from British Columbia, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) is of the opinion that foreign trade no longer has any validity. He talks about pack rats. Let me tell him that I disagree with him completely. The great, long-standing Liberal concept, and I hope I can express it, is that goods the world over are naturally wanted by human beings the world over and the freer the movement of those goods the better it is for all mankind. I suggest, therefore, that our policy will be a continuation of that splendid policy enunciated by my leader before the last election when he talked about freer and freer trade. At that time the Minister of Trade and Commerce made this statement in a speech in Hamilton:

> The Pearson freer trade plan will lead to enormous increases in imports and a rise in unemployment.

When the minister spoke the other day I noticed that he had recanted somewhat from that position. He said, as found on page 162 of *Hansard*:

> I say that at this particular time when the world is a very competitive place indeed, when new market arrangements are developing, when the general movement appears to be toward a lowering of tariffs, when businesses have got to stand more and more on their own feet—

He went on to say that we must bring down costs and get quality up. That is all very nice, Mr. Speaker, but what is the Minister of Trade and Commerce doing to accomplish this? He is not accomplishing it by bringing people here on champagne trips to buy Canadian goods. He is not bringing it about by bringing the trade commissioners together or by bringing businessmen together. It seems to me this is dependent upon a drive on our part with those with whom we deal to lower their tariffs in exchange for a lowering of tariffs on our part. If the Minister of Trade and Commerce were here I would not want him to tell me that GATT prevents us from entering into such an agreement because it seems to me that today we can make any agreement in respect of these things.

When the Prime Minister spoke in this debate he instanced the case of a truck factory that had moved to Canada as the result of the austerity measures. He was referring to Mack trucks. I would remind the house that this company produces a specialized truck capable of carrying heavy loads and used to a great extent in the lumbering industry of British Columbia. The company is going to build Mack trucks in Canada. I would remind the house that as a result of the depreciation of the dollar and the tariff surcharges the cost of a Mack truck went up $3,600.

Mr. Skoreyko: In the United States, yes.

Mr. Laing: It is $3,600 in Canada.

Mr. Skoreyko: What are they going to cost in Canada?

Mr. Laing: I would suggest that probably the plant will be able to sell them at an increased cost of something like $3,000. This is bringing industry to Canada, so the Prime Minister says, so the Minister of Trade and Commerce says. This is the result of the austerity measures, but austerity has a cost. In the case of our industries in the province of British Columbia, which have to sell at the lowest possible prices they can, when they go to buy a Mack truck they are going to pay $3,000 more for it. The plea of the Minister of Trade and Commerce to get costs down is made impossible by virtue of the other action of the government which immediately raises costs.

So far as the depreciation of the dollar is concerned, I say quite frankly that the big exporters in the province of British Columbia are doing better today because a depreciated dollar sells more in foreign countries. But do not say that there is no cost involved in a depreciated dollar. Do not say that there is no cost in austerity. A cheap dollar buys less here and austerity today is being visited upon a very great number of people who are not in good shape to withstand it. I should like to give some figures as to the cost of austerity. These are bureau of statistic figures which I obtained the other day. In June of this year sirloin steak was $1.06 a pound while in August it was $1.12. Prime rib roasts were 95 cents in June and 99 cents in August.

An hon. Member: The farmers are not getting it.

Mr. Laing: The farmers in my area are not getting it, and I will tell you something about that shortly. Pork shoulder roasts were 56 cents in June and 64 cents in August, ham 98 cents in June and $1.07 in August, a half a pound of bacon 48 cents in June and 54 cents in August and poultry, grade A, 43 cents in June and 47 cents in August.

I suggest to the Minister of Trade and Commerce that he should co-operate with the Minister of Agriculture (Mr. Hamilton). We heard a great deal the other day about agriculture but it centred only on the feed grains which are grown in western Canada. I remind the house that the biggest agricultural activity in this nation is in Ontario. There are a

great number of specialized crops coming along such as the one referred to the other day by the hon. member for Essex South (Mr. Whelan), who said that an experimental quantity of fresh frozen beans had been exported to Germany. Last year we shipped from the city of New Westminster to Great Britain a considerable quantity of fresh frozen peas.

I plead with the Minister of Trade and Commerce to take an increasing interest in these aspects of agriculture because the sale of these commodities will result in more and more labour being used and the opportunity to maintain the family farm will probably be provided. So far as agricultural problems are concerned, there is the tremendous problem of integration and corporate farms which is rising in this country. There is also the cost of machinery and mechanization of farms which have already resulted in a great number of farmers going to the cities. We are faced with the problem of the lowest one sixth of the farmers in Canada from the point of view of income being forced to go into the cities and creating real social problems there. The real problem in respect of agriculture is that it has been visited by the greatest invasion of technology of any of our industries.

Now then, Mr. Speaker, I want to deal with a problem that is of tremendous moment to us in the province of British Columbia. I refer to the proposed building of the Columbia river dam. I note that the new Minister of Public Works (Mr. Fulton) is with us. I cannot, for the life of me, understand where he stands on this question today. A short time ago he seemed to indicate that the adoption of a treaty along the lines insisted upon by the premier of British Columbia would be equivalent to the sale of Manhattan island.

Mr. Fulton: That is not what I said at all.

Mr. Laing: A change has been made in policy. The minister seems to be shaking his head to indicate he is in agreement—

Mr. Fulton: No, I said that you did not quote accurately what I said.

Mr. Laing: The minister has been quoted on a number of occasions as having said that the export of power to the United States under conditions that the premier of British Columbia wanted would be equivalent to the sale of Manhattan island.

Mr. Fulton: That is entirely different from the treaty. If you are discussing the policy with regard to the disposal of the benefit, that is right; but the hon. member said I applied those words to the treaty.

[Mr. Laing.]

Mr. Laing: The minister will have an opportunity to make his explanation in the future. I cannot explain the legal gyrations of his mind at the present time.

I want to remind the house what one of the members of the government said in respect of this matter in 1957. On January 21, 1957, five years ago, the Secretary of State for External Affairs (Mr. Green), who was viewing with alarm this project and was not pointing with pride as he is now, said this:

> There has already been a great delay in this matter. Someone either here or in Washington is dragging his feet in connection with these negotiations.

Then again, the same hon. gentleman said on April 6, 1957, as recorded on page 3188 of *Hansard*:

> May I ask why it is necessary to wait until the negotiations are completed before any attempt is made to reach agreement with the province of British Columbia?

In the light of what has happened since in respect of agreement with the province of British Columbia, I think the minister did not take sufficient action then.

I should like to return, Mr. Speaker, to some remarks made by the preceding speaker in this debate, the hon. member for Grey-Bruce (Mr. Winkler), who largely made an attack upon members on this side of the house. I only want to say of him this, that his very great predecessor in this house never had to look across the aisle to see only 19 members listening to him.

In so far as the negotiations that took place in London on commonwealth matters are concerned, I am of the opinion that the United Kingdom is either going to walk upright into the European common market or she is going to fall in. If this matter is procrastinated and obfuscated to the point where Britain falls into the common market, she is not going to be a very good buyer of our goods. Let me ask this of the Prime Minister, who claims to have such foresight and love of the commonwealth: Two or two and a half years ago when the leader of this party was pointing out most admirably the inevitable position the United Kingdom was facing with the development of this tremendous new agency in Europe, why did the government not then do something about strengthening the commonwealth to enable the United Kingdom to make stronger representations when she had to go to Brussels? Our commonwealth is not weak; it is exceedingly powerful. We have a territory several times that of the United States, and I think that we have three and a half times her population. We are rich in tradition and we are rich in moral fibre.

Why did the Prime Minister not, two and a half years ago, as the leader of the greatest country outside of the mother country, call the commonwealth countries together to see what they, collectively, could do for the mother country in respect of a massive five year loan in connection with these foodstuffs we want collectively to sell? Why was this action not taken? Then, the mother country would have been strengthened to the point where she could have gone to these other countries and said: I want an arrangement that is beneficial not only to me but is beneficial to the commonwealth countries as well. Instead of that there was procrastination, delay, until finally the Prime Minister had to choose another argument and call for an international meeting on world trade. Well, this is too late. I would think that those countries in Europe today are too preoccupied with the building of their enormous engine to attend such a gathering. I would agree with the Secretary of State for External Affairs when he indicated that the future of the common market is now indefinite. It is true that success breeds success, and they have had nothing but success. I think anyone would be taking a risk if he suggested he had enough foresight to indicate what is going to come out of all this.

This is what I feel. I believe that in the next few years my suggestion will be borne out. I believe that these great nations of Europe are getting themselves into a position where they can, with impunity begin to buy products from the U.S.S.R. One of the most significant situations in Europe is the increase in purchases from the U.S.S.R. It is going to be very difficult for this government to complain against that movement to purchase goods from the U.S.S.R. when last year we increased our exports to that country 300 per cent in one year for a total of $24 million. What concerns me is that the great variety of goods they were purchasing from the U.S.S.R. were parallel to the goods Canada would sell to that area.

Are these things of no concern to the Minister of Trade and Commerce (Mr. Hees)? Has he not his eye on this situation for the future? Is he not going to tell the Canadian people what the facts are in respect of these matters? This is what Canada needs at this time, to be given all the facts, instead of a call going forth from the Minister of Trade and Commerce, whom some people in my province say is a good drummer. I am going to say very frankly that of all the ministers he enjoys the best reputation. I have heard more compliments given to him in British Columbia than to any other minister. I am going to suggest to you that the finest compliment I have heard of him is that he could be a lot worse. This is a fact. But we are not meeting the situation that is confronting Canada today in so far as exports are concerned. I do not know what the solution is. I hope the solution by this government is not the solution that was found, for a short period in the days of my old friend the hon. member for Dufferin-Simcoe (Mr. Rowe), when the government of Mr. Bennett decided he would have one set of tariffs west of old Fort Garry and one east of old Fort Garry. It is one of the great historical facts of Canada that for a time we had two sets of tariff laws in the country.

The great central provinces have problems different from those we have, but we would not represent the true position of the western provinces if we did not bring our solutions before this house. We could, to great advantage, deal in complete free trade in the province of British Columbia. There is no question about that because we sell $50 millions a month worth of products to the United States out of British Columbia alone. Indeed I am quite sure that at this particular time there is no other market for those goods, and I am quite certain no other country has the money to pay for them in the way the United States does.

However I question why there was not, at least, a burst of indignation from the federal government when it was suggested that the United States was going to prevent the importation of lumber from British Columbia. I saw no great action taken by the federal government. Industry and labour on the coast joined together, but the federal government did not give the leadership it should have at that time. When we are buying, in a four month period, $218 million more worth of goods from that country than we sell to it, then any change should not be made without the strongest possible representations from the government of Canada.

Mr. Fulton: Those representations were made long before you suggested them.

Mr. Laing: Well, they were not strong enough to have been recognized by any newspaper in Canada that I have seen.

Mr. Fulton: They were fully reported. You have just not been reading the papers.

Mr. Laing: The industry itself has been very active.

Mr. Fulton: Just read the papers.

Mr. Speaker: Order.

Mr. Laing: If I am to have these interruptions from the former minister of justice then I shall require another five minutes. After all, he is a citizen of my province and I am sure he wants to hear me.

Mr. Fulton: I want to hear you speak accurately.

Mr. Laing: I plead with the Minister of Trade and Commerce to take a more active interest, a deeper interest in these matters beyond bringing buyers or suggested buyers into the country. I plead with him to make a much deeper study of these affairs so that he and this government can make proper representations to the nations with which we trade. This is the best security for Canada to grow and develop.

(Translation):

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my first words will be to tender you my congratulations for the unanimity of your election as Speaker of the house. I also want to congratulate you for having, up to now, led our parliamentary debates with a remarkable objectivity.

I also want to thank and congratulate the mover (Mr. Chaplin) and the seconder (Mr. Vincent) of the address in reply to the speech from the throne.

Mr. Speaker, as it is the first time I have the privilege of sitting in this imposing assembly, I should also like to commend all members of the staff, in the external as well as the internal services, for their courtesy and for the prompt and kindly way in which they fulfil their respective tasks and duties.

The atmosphere, the spaciousness and size of this house, as well as its comfortable set-up should, to my mind, incite hon. members who sit here to establish in Canada an economic system inspired by the comforts which surround us in this august chamber.

Mr. Speaker, the night of June 18 last we, and more particularly the French Canadians in the province of Quebec, gave a sigh of relief. Considering that, in our province, which had been called Liberal for almost a hundred years, Liberal governments had always been elected, except in 1957, and more particularly in my riding, where the people had voted Liberal for 68 consecutive years, we cannot but give a big sigh of relief.

My predecessor was a member of parliament for 17 years. Yet, yesterday, the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) tendered him his congratulations, whereas he knew very well that, like the others he named yesterday, my predecessor had lost out and been rejected by the people and the voters of his county in the June 18 election. For 17 years, my riding had been Liberal, and, for 68 years, the voters in the province of Quebec had voted in favour of the Liberal party.

Now, we begin to breathe again, to feel freer. We begin to feel the effects of a new economic system which will, perhaps, not be at the mercy of the old parties that have led the province of Quebec, and the whole of Canada, into the economic stagnation we are having today.

We obtained a clear vote on June 18 last, and we shall win a greater victory in the future. Some people looked upon the Social Credit vote in the province of Quebec on June 18 as a tidal wave, but I think that at the next general election, the tide will sweep away all the political rats, more particularly in our province.

At the first public meeting I held in my riding after the election of last June 18, I did not hold a press conference as was suggested yesterday in this house. It was only an organization meeting where I expressed the hope that the house proceedings would be televised during at least one hour every day. If the people could have witnessed the behaviour of some members of this house during the past week, they would have found out the truth about, first of all, their turpitude, their trivialities and their empty words and they would also have seen how those members beat around the bush for an hour's time or four hours on end, as the leader of the Liberal opposition did, to achieve absolutely nothing. Our constituents, who, in addition to being taxpayers, are also those who provide the funds to finance the C.B.C., should be the first to know what goes on in this august assembly. I feel it would not be too much to ask to have the parliament debates televised an hour each day, so that the people could be informed directly, instead of being given a falsified account, of what goes on in this house.

Mr. Speaker, we are not here to play into the hands of the old parties or to lend ourselves to the Liberal practice of seeking a means to overthrow the government overnight. Did not the Liberals themselves deplore the fact, and rightly so, that France experienced nothing but temporary governments which changed from one day to the next? We do not wish to see Canada in a similar situation. And that is why we of the Social Credit party shall not play into the hands of the Liberals, who are seeking to overthrow the government tomorrow or the day after or next week, to end up in that same situation which we do not want.

We do not wish to keep the Conservatives in power just for the fun of it, but for one purpose only, and that is to obtain better legislation for Canada and for all Canadians.

To us, the important thing is not to change the seats of the pants on the benches in parliament but it is rather to amend the legislation which in the near future will govern the destiny of our people. We want legislation and we do not intend to be satisfied with empty promises, or beautiful phrases or billing and cooing on the part of the Conservatives, to get nowhere. We are ready to co-operate. We are willing to assist. We are ready to give them an opportunity either to legislate for the common good of the Canadian people or to weave the rope they will be hanged with at the next federal election.

We want better laws from the government. Among other things, we want family allowances proportionate to the cost of living index. When family allowances were initiated in 1945, milk sold at 8 to 10 cents a quart, but the cost of living has increased threefold since then, while family allowances have been increased by a single dollar. For that reason, on behalf of my constituents and of Canadians throughout the country, I ask that family allowances be proportionate to the present cost of living index.

I also request an adjustment in old age pensions. Our older people must live just as our younger people. The rate of old age pension was not adjusted since the adoption of the act. I, therefore, request that it be proportionate to the cost of living index.

I request also for the small wage earner, the worker, the farmer, all those who build the real wealth of Canada and of our province, an exemption of taxes as being heads of families. Such an exemption should be at least $5,000 for the head of a family and $3,000 for a single person. Statistics show that it costs at least $86 a week to live, to give the bare necessities to a family of five. If such is the case it is only logical and normal for us in this house to request a total exemption of tax for all salaried people earning less than $100 a week.

We also want, Mr. Speaker, more encouragement for private enterprise.

In 1962, everybody is against private enterprise. Public bodies, aldermen, municipal councils, provincial governments and even the federal government are grabbing private enterprise by the throat. We are trying to crush it by imposing heavy taxes upon it, and in one province in particular there is even some talk of nationalization. Yet, it is thanks to private enterprise if we have prosperity in Canada right now.

It is neither the Liberals, during their 22 years in office, nor the Conservatives, in the last five years, who have made Canada what it is today.

If Canada is rich and prosperous in 1962, if she has abundant natural resources, if her production is high, that is not due to any government but to private enterprise, because private enterprise was the one to understand the situation in our country.

We rise to the defence of private enterprise. If we do not save it, we will soon live to regret it. In fact, a country which is 1,800 miles away from here but which is quite close to the U.S.A., Cuba, was in the same situation not so long ago. Today, everybody deplores the way things turned out there.

There were millionaires in Cuba before the communists took over; there was private enterprise and also the proletariat, workers and farmers. Came the day when those people had enough of being exploited and crushed by taxes. Revolution started to brew and Castro entered the scene. Under the guise of planning, of state socialism, he removed private enterprise and established a totalitarian government which handed the country over to the communists. We Social Crediters knew already that the Liberals were socialist and that the socialists were Liberals. We fully understand their stand in this house, we know why they want economic planning and nationalization of our business concerns.

We of the Social Credit do not advocate the nationalization of private enterprise.

I am an industrialist, and my problem is not to produce but to sell the goods; my problem is to face farmers in need, to face farmers who need my products, but who must live in debt for five or 10 years in order to purchase today what I can produce and manufacture today.

Our economic system, as it stands today, does not allow our farmers, our workers to live today, in this country of ours, with the money they earn today and to buy what is produced today. They have to go into hock for many years to come.

That is the baseness of the present system. We have been elected to fight against this system, and that is the reason I want to be

the prime defender of the people of my constituency who elected me. I have not been elected to be a supporter of the Liberal and Conservative policies, but for the sole purpose of seeking improved legislation for the farmer, the worker, the small businessman and the individual who is still self-employed.

Everybody is crying for the opening of new markets abroad and no one is looking at the markets we have here in our communities, our provinces and across Canada.

Once upon a time, two gentlemen were admiring a beautiful mountain. One said to the other "Do you see that mountain in front of you?" And the other replied "Indeed I do" and the first gentleman went on: "Can you see the fly on the mountain?" The other replied "No, I cannot see it on the mountain because it is on the tip of your nose."

Well, Mr. Speaker, when we see Conservative or Liberal politicians wracking their brains in order to find ways and means to sell Canadian goods throughout the world, while there are so many people who need them here at home, we are inclined to tell them: Instead of going outside Canada, why not try to sell from door to door in our cities or in our municipalities. Visit our farmers, our workers, our small contractors, see what the needs are in the province of Quebec, and then you will realize that we do not need to send commissioners in other countries in order to sell our products, we can sell a lot of them right here, in our own country.

Let us ask ourselves why it is that so many firms, so many plants, so many businesses have to close their doors at the present time or have to lay off some of their employees because of a lack of orders.

Let us ask ourselves why, in my own constituency, for instance, over 600 employees from three different plants were laid off.

Let us ask ourselves why, in the constituency of St. Jean-Iberville-Napierville, workers were laid off by the hundreds not later than last week, although it is said that we have enough buying power in Canada.

If we do not lack buying power in this country, why do we try to sell our products to the tourists? Why woo the American tourists? Why woo the foreign tourists? In order to extort dollars from them in exchange for our products.

Production in Canada is well known for its quality and its variety. Those who will set up a system—and we want to do it—that will enable Canadians to live in a wealthy country, where production is not lacking, those will not remain in power during 22 years, instead power will be theirs for the rest of their lives.

At the present time, people say jokingly that we want to form a coalition with the Conservatives. Such is not the case.

The Leader of the Opposition (Mr. Pearson) is in a dilemma. His own supporters, after suffering two defeats, would like a new leader. And because his party was defeated twice, that gentleman would like to have an election as soon as possible, in order to prevent the Liberals from choosing a new leader.

Last night, when the non-confidence motion proposed by the official opposition was put to a vote, several Liberal members had not been consulted. They were asked to vote although they had not been consulted before. And several have told us of their surprise.

We do not want to get caught at the game of "old gimmicks" nor do we want to get involved in the old game of petty politics. Our mandate is clear and simple, and we want to serve the voters of our ridings and those of the province of Quebec especially.

Mr. Speaker, the province of Quebec elected the Liberal party for 22 years, in Ottawa, and I must say today in this house that it is the province which has been the most badly treated.

The Liberal party is shocked and offended in considering that its favoured province, the province on which it thought it had forever a grip, has forsaken it.

Today they realize that Social Credit, on June 18 last, achieved a break through which we shall continue to enlarge, not only in this house, but also during the next election, which may be not far off. We are going to wipe off the political map of the province of Quebec, not only the Liberal party but the old parties who have not been able to give Canadians prosperity in our province, as in other provinces, whereas Canada has all it needs to yield that prosperity.

The small retailer, the industrialist and private enterprise want a prosperous Canada.

What we want, is not a planning government, not a government with socialist leanings, not a government which is perpetually searching our pockets. What we want is a government with sound business principles. We do not want the government to be mixed

up in our business, but we want sound business principles in the government.

If, in the past, legislation had been based on sound business principles, we would not now have to deplore the fact that Canada has a terrible debt which is increasing every day.

Canada has known and still knows today, a period of recession. We are still going through times where private enterprise is exhausted and gives all its benefits away in taxes. The proof, Mr. Speaker, is that today our savings capital is swallowed up by public works.

People have lost confidence in the administration of Canada, but not in private enterprise. Why is that? Because, today, our savings capital goes to finance sidewalks, water mains, bridges, sewers and public works.

If people had confidence in private enterprise, in this country, they would not be interested in financing public works.

That is why we ask, as did the hon. member for Red Deer (Mr. Thompson), that a municipal development bank be established to give municipalities in our province, and throughout Canada, a source of credit which would help carry out their public works. We should not finance public works with our savings. The money we have saved should be used to finance private production, and public capital made available to our governments should be used to finance public works.

Mr. Speaker, people complain at this time—and justly so—that our national economy, and also our provincial economy, are slipping into the hands of other countries and of international finance. We need hardly be surprised at that fact, when our own government does not even make available to our private industries the capital they need to finance their projects. We must draw from our savings capital to finance 50- to 100-year projects.

It is about time, Mr. Speaker, to stop laughing at Social Credit proposals. It is very easy to laugh at a certain thing, one has only to twitch one's face and that's it, but it takes much less intelligence to laugh at something than to understand it.

Before June 18, many were those who were laughing at Social Credit proposals, as well as at the Social Credit philosophy. Many were those who were laughing at all that, but on the evening of June 18, they got the lesson of their lives.

We shall keep on explaining to the people what is Social Credit; we shall keep on explaining to the people that we have not been elected here by means of election funds which would tie us to national or international financiers who would like farmers to be still exploited by companies which have contributed to both parties' funds.

My election cost only a few thousand dollars, about ten times less than the campaign of the one who was defeated after sitting here for 17 years, wearing out the seat of his pants to such an extent that one day he was so mixed up—and those who were here at the time will remember the incident—in his absent-mindedness he voted against his own party. By the way, he asked the Speaker to correct his mistake, and to record his vote as his party wished it.

Having been defeated on June 18 last, he is now trying to find himself another place in provincial politics. Well, I wish him the same fate he has known on June 18, in order that all these jokers of our province and of our country disappear before long from the political map of Canada.

Mr. Speaker, those few minutes were put at my disposal to serve and represent the electors of my constituency who gave me a wonderful majority on June 18. I congratulate them and I shall try in this house to serve them with honour and to be always at their disposal.

Mr. Speaker, I thank you for your good attention.

(Text):

Hon. E. D. Fulton (Minister of Public Works): May I take this opportunity of associating myself publicly, as I have already done privately, with those who have extended to you, Mr. Speaker, their congratulations and compliments upon the occasion of your elevation to this high office? May I also associate myself with the things which have been said in complimenting the mover and seconder of the address in reply to the speech from the throne? With respect to yourself, Mr. Speaker, it is naturally a matter of particular pleasure to me, coming as I do from your neighbouring province in the west, to see you occupying the chair in this house, not only a fellow western Canadian but one who in his person combines also the two major racial divisions of this country.

To the mover and the seconder of the address in reply I wish merely to say this, in addition to what I have already said. I desire them to know that I experienced profound admiration for the way in which they discharged their duties here. That admiration was perhaps tinged with a little bit of envy because I recall that on the occasion of my maiden speech I was far from acquitting myself with the distinction with which they acquitted themselves in a much more onerous position, having undertaken as they had the much more onerous task of moving the address in reply to His Excellency. It is an onerous task not only because of the fact that it is a difficult and nerve wracking burden on a new member but because, as I am sure they would agree, Mr. Speaker, and as they themselves indeed said, it fell to them to move the address in reply to one of the most important and far reaching throne speeches that have been laid before this house.

As we are now nearing the end of a time allotted for the debate on the address, it is perhaps not inappropriate to spend a few moments in review, as it were, of what has taken place during this debate. One of the things, of course, that marks the debate on this occasion, is the fact that we have seen moved in the house a variety of amendments, all of which have raised the question of whether this government should continue to have the responsibility of governing. On those amendments, I am glad to remind you, Mr. Speaker, the government has been sustained by a majority of the members of this house. Of course, this result but confirms the verdict which the people of Canada recorded on June 18. It is not inappropriate to recall that on that day, under our system, the Canadian people entrusted the continued responsibility of government to the Prime Minister (Mr. Diefenbaker) and the present government and thus far this house has sustained that verdict.

One can therefore understand the obvious frustration of the Liberal party, a frustration arising not only from their experience to date in this house but out of the fact that they have made three attempts in the last five years in carrying their case to the people to take over the responsibility of office and that in all those attempts they have failed. In the last attempt we saw the most desperate scramble for power in Canada's history. In the course of that attempt, culminating on June 18, we saw the Liberal party stop at nothing in their efforts to translate into reality their highly imaginative lust for power. After all, I suppose one could almost sympathize with them in their frustration. Three times they have tried and on the night of June 18, Mr. Speaker, you will recall what happened. I am sure you watched with me, as I am sure did many other hon. members, the Leader of the Opposition when he appeared on television so confident that he was going to be able to drink the wine of victory. How frustrating it must have been to have that cup so rudely dashed from his lips at the last moment before he had really tasted a drop. Hence he is left now only to drain the dregs of the cup of bitterness. We recall these things.

As I say, one can sympathize to an extent with the members of the Liberal party in their frustration. However, as they seem to have forgotten it, it is perhaps as well to remind them that while they lust for power, there is one essential requirement which they have not yet met, namely that they win the largest number of seats in this house, if they are to have that responsibility. This fact they continue to overlook. However, until that event takes place or that remote possibility occurs, with the support of this house the responsibility of government rests upon this party and this government under the present Prime Minister of Canada. We accept that responsibility.

It is my view that the Canadian people, as they look towards their parliament now, expect the government upon which they imposed that responsibility on June 18, to respect it and to discharge it. The Canadian people expect this government to offer them a program designed to meet the problems with which this country is confronted. In accordance with that expectation and in accordance with our responsibility we have introduced that program into this house by way of the speech from the throne. It is a conscientious and, in my submission, a constructive program designed to meet today's problems and to lay a further foundation for the coming long range problems and requirements of tomorrow. That program represents no compromise or concession. It represents nothing by way of a deal or a special arrangement with any party or group. It is the government's own program which we have worked out to deal with the problems for the solution of which we are responsible. Thus far that program has been accepted by a majority in this house, although opposition parties in the house on various occasions have attempted to defeat that program.

In the time at my disposal this evening I propose to elaborate somewhat on the constructive actions and detailed programs which we lay before the house and country. First, however, in order that it may better be seen in perspective, it may be helpful if I deal for

a moment or two with the background or the backdrop against which that program is presented. The salient feature of that backdrop is, of course, the Liberal tactics which were started prior to the election campaign, reached their climax as it progressed, and then continued in this house as well as outside of it since that time. I refer to the scream and scare tactics which characterize the current approach of the Liberal party to Canadian problems. A little earlier I said that during the election campaign they stopped at nothing in their desire to achieve power. We saw them indulging in a tactic of attempting to create panic and confusion in the business and financial community. I shall give some examples of each of these criticisms. For this one, I think particularly of the example of a prominent Liberal businessman who, speaking in Truro, Nova Scotia, in early June said that Canada was teetering on the verge of bankruptcy.

An hon. Member: Shame.

Mr. Fulton: Nothing could be better calculated to create panic, confusion and uncertainty in the minds of the business and financial community.

Mr. Pickersgill: What about the Minister of Agriculture?

Mr. Fulton: We heard them uttering cries about the financial crisis while they themselves proposed measures that would add at least a billion dollars to the Canadian tax bill or the Canadian deficit. The Leader of the Opposition talks about irresponsibilitiy. He says now, as he said then, that he knew there was a financial crisis. Yet he deliberately advocated measures which, if he knew there was a financial crisis, he must also have known would add immeasurably to that crisis.

That is their tactic, Mr. Speaker, charges of misrepresentation and misleading while they themselves indulge in the most cold-blooded misrepresentation and distortion of policy that has ever been seen in the record of political campaigns in this country.

The Prime Minister and the Minister of Finance have effectively given the lie to these charges in so far as they are applied to the government, but let us look for a moment at the tactics followed by the Liberal party during that campaign. Virtually every policy, in many cases policies which they themselves had advocated or knew to be right, for political purposes they distorted, misrepresented and criticized as being wrong and leading the country to the brink of disaster.

I think of some prominent examples. There is the policy of devaluation. Did you ever see such a spectacle as these prominent advocates of a policy of devaluation, a policy they knew to be to the advantage of Canada and which they had advocated before they became Liberal candidates, turning around and adopting an attitude and associating themselves with and participating actively in a campaign which would have had the Canadian people believe that the policy of devaluation was the worst policy that the country could follow? I think particularly of such members as the member for Davenport (Mr. Gordon) and the member for Vancouver Centre (Mr. Nicholson) who were prominent in urging upon the government that we should follow a policy of devaluation; and when we did, and in the light of the fact that it was having the results it was calculated to have in that industries in Canada were benefiting, we then saw these members go about distorting and misrepresenting not only their own position but the effects and the nature of the policy. The hon. member for Vancouver South (Mr. Laing) placed before the house a list of commodities today which are exported from British Columbia and Canada, but he forbore to tell you, Mr. Speaker, that every industry producing these commodities has been immeasurably helped in British Columbia by the devaluation policy of the government.

What did the Liberal party say about the cost of living, coupling this with devaluation? They attempted to strike fear into the hearts of the Canadian people on the grounds that devaluation would lead to astronomical rises in the cost of living. The Leader of the Opposition, speaking in Halifax on June 8, a popular day for misstatements on the part of the Liberal party, was it not, Mr. Speaker, said words to the effect that the Canadian cost of living can rise to a point where it would be very dangerous indeed. What happened to the cost of living, Mr. Speaker? The fact of the matter is that the cost of living has remained satisfactorily stable in the months since. The campaign began in April, and yet between the months of August and September the cost of living experienced an appreciable drop. Again, the hon. member for Vancouver South, having reinherited the tactic of the selective use of statistics which is, after all, characteristic of members of the Liberal party, proceeded to quote some statistics from the dominion bureau of statistics in his speech today; but he conveniently overlooked the fact that the cost of living as a whole has dropped and that the major reason for that drop is a decline in the cost of food index. This is the very index that the Liberal party said repeatedly during the campaign would be sent up out of sight as a result of the policy of devaluation.

Nobody can be unconcerned if there is an increase in the cost of living, and there has

been an increase over all between April and September. But the fact of the matter is that by comparison with previous years there has not been as great a rise between April and September of 1962 as was the custom in those earlier years. Therefore one can see the extent to which this tactic was used by the Liberal party to mislead the Canadian people.

Finally, we see the tactic, unprecedented in the history of Canada, Mr. Speaker, indeed, I should think unprecedented in the history of the western world, of a direct and deliberate attack on the nation's currency, an onslaught on the integrity of the Canadian dollar, an attack on confidence itself.

Mr. Pickersgill: By the Minister of Agriculture.

Mr. Fulton: Attacks on policy, of course, may be expected and should be expected, particularly during an election campaign; but as for attacks on confidence in the currency, never before have I seen and never again will I see, I hope, a tactic such as that, destructive of confidence in the very integrity of our currency. Never again, I hope, will we see such a tactic such as that policy because confidence in the dollar outlives governments and parliament if it is maintained; and if it is destroyed it is more important and is a greater loss than the passage of any government or the demise of any particular parliament. This is what my hon. friends lost sight of, driven to the lengths of irresponsibility that they were in their lust for power.

I know that someone has said or maybe suggested: why do you rehash the election campaign? This is not just a rehash of the election campaign because unfortunately these tactics are still continuing. The fact of the matter is that apparently it is still the view and objective of the Liberal party that on the self-imposed ruins of the nation's currency, if they had their way, on the backs of Canadian workers and consumers whose devastation they would have encompassed, they would build a political future for themselves.

It is a continuing policy. We still see them in their frustration continuing their attempts to destroy confidence on the part of the Canadian people in their institutions, trying to capitalize on the fact that the country has a minority government by seeking to intimidate and frighten investors, businessmen and people generally with regard to the course of events. As authority for this statement I cite words used by the hon. member for Laurier (Mr. Chevrier) speaking in the Stormont by-election campaign, as reported in the Montreal *Star* of July 13. He said:

> Their minority will not stand. We can destroy it at a moment's notice ... at the opportune time.

[Mr. Fulton.]

Could any words be more calculated to inspire and instil lack of confidence in those who are looking, as they are entitled to look and expect, for stability in the affairs of our government? "Destroy it at a moment's notice, at the opportune time", even though the Canadian people had entrusted them with the responsibility of government, before they had any chance to submit their program to the house.

Mr. Martin (Essex East): Of course they did not entrust.

Mr. Fulton: Under our system, Mr. Speaker, the Canadian people entrusted us with the responsibility of government and until the hon. member for Essex East gets that through his head I fear he will be doomed to sit in frustration on the other side of the house.

With this approach, Mr. Speaker, I should like to contrast the program which we have offered this house and the country. As I have said, we accept the responsibility for government. We are fully conscious of the fact that we are a minority government but that fact does not relieve us of the responsibility of governing. Indeed, Mr. Speaker, I suggest to you, and it our view, that it but heightens the responsibility that we must show. So we have come before the house with a program of working, building and planning. That is the aim of the program embodied in the speech from the throne.

I should like to give the house some illustrations of it by referring to the work and planning of my own department, but I also think I can illustrate it effectively by contrasting it in the course of my remaining remarks with that ragtag and bobtail collection of left-over bits and pieces that the Leader of the Opposition tried to characterize as a program toward the end of the speech which he delivered on Tuesday of last week.

First, as to planning, Mr. Speaker, let me point out to the house that in spite of the fact we have had to implement emergency measures in my department, and there are some restrictions on physical construction, we have not in any way interfered with the planning vote of that department. Therefore, the vote of $1.5 million under which the planning of major and minor projects is carried on is untouched. Those plans are going forward so that at the earliest moment, when other factors permit, the plans can be implemented for the people of Canada.

Next, I should like to say a word with regard to physical activity, working and building. The Leader of the Opposition calls for a massive increase in construction. Let me refer to the July figures. Building permits issued for construction amounted to over $273 million for the month of July alone, up 20.2

per cent from a year earlier. The Leader of the Opposition says that half a billion dollars of construction means the equivalent of a year's work for 100,000 men, and their employment in turn would mean stimulation for a great deal of other business. This reference is found at page 70 of *Hansard*.

May I point out that permits issued in July for construction amounted to over a quarter of a billion dollars. If we have another month like July, we will have the half a billion dollars in construction ready to get under way and the 100,000 men to whom the Leader of the Opposition referred will be going back to work under Conservative policy.

May I refer the house to an item which appeared in the *Gazette* of October 9, which reads as follows:

> Construction contract awards during the first nine months total $2,525 million—5.6 per cent higher than for the same period last year, according to the MacLean Building Guide. The increase derives from more housing and business construction conceentrated in the Quebec and Ontario areas.

These are some of the positive achievements and programs. The Leader of the Opposition speaks of the Liberals' national plan for municipal development. He speaks in the same breath of the colossal failure of our proposal and then goes on, in the same breath, to advocate more of the same. Let me give you some of the particulars of what has been done in this field in the years from 1957 up to August, 1962. There have been 724,000 new dwellings started in Canada, 45 per cent of which are financed under the National Housing Act, and $1.5 billion have been advanced in direct Central Mortgage and Housing Corporation loans during that period. There have been 20,000 units of rental accommodation provided for low income families, in an aggregate amount of $157 million.

The next item concerns some 5,000 public housing units which have been approved under the federal-provincial partnership arrangement since we took office; some 3,300 land assembly lots have been approved; approximately $675,000 have been contributed to urban renewal studies. Forty four such studies have been undertaken in the five years since the Conservative government was first elected, whereas there were six under the Liberals.

The Leader of the Opposition speaks of urban redevelopment. If I may paraphrase his own words used in another context, he thinks this program is as new as his own knowledge of it. The total contribution approved for urban redevelopment purposes under this government has been close to $20 million. Then, again, he speaks of sewage disposal. He criticizes, Mr. Speaker, but carefully omits to point out that it was this government that amended the National Housing Act, in December, 1960, to provide for sewage disposal projects and to assist municipalities. Since that time, 264 loans totalling over $68 million have been made and Central Mortgage and Housing Corporation has now some 271 preliminary applications on hand with a loan potential of another $67 million. This is the first time in the history of this country that a direct attack has been made on the joint problems of pollution and water conservation, the first time in the history of this country any constructive approach has been made to the problem of helping the municipalities whose need in this field was so desperate.

I could go on. The greatest tribute, I may say, should be paid to my predecessor, the Hon. David Walker, for the vision he had and the broad concept that he had in bringing this legislation into effect. I could go on, Mr. Speaker, but in fact we have spent the last five years in working, building and planning in areas ignored by the Grits. I say without hesitation that if, in fact, there is a national concept of municipal development, it rests with this government and this party. The plans and the programs that I have outlined indicate the truth of that statement.

Coupled with that, I say that further imaginative, practical plans are to come. As an example of what I have in mind, I may say that I am asking Central Mortgage and Housing Corporation to study three important and closely related matters. The first of these is in the broad field of providing housing for the physically handicapped; second, the study of a proposal to build university residences for married couples; third, the general question of the further application of the sewage disposal plan.

I think I have said enough. I hope I have said enough, Mr. Speaker, to show, particularly by way of contrast as against the scare and scream tactics of the Liberals, that we have for this country a constructive program of planning, building and working. The hon. member for Laurier (Mr. Chevrier) and his colleagues would have the business of the country grind to a halt, they would have Canadian and foreign investors run from the country, they would have this parliament become little less than a forum for their scream and scare tactics, they would have everybody stop and wait while they make their play for power. We cannot allow the government, parliament and people of Canada to be intimidated by threats such as the one used by the hon. member for Laurier, that they can

destroy us at a moment's notice at an opportune time. No, Mr. Speaker, it is the electors of Canada who will determine when any opportune time comes, on the basis of which any government will be defeated.

I believe it is our duty, Mr. Speaker, and we accept the duty and responsibility of placing our program before this house, bringing in the detailed legislation by which this program will be implemented. On that basis, I invite the support of this house without compromise or concession. I say to you, Mr. Speaker, that we can leave to the hon. member for Laurier and other members of the Liberal party such ideas as they believe will destroy us, and that they will destroy this program at a moment's notice at the opportune time. What an arrogant statement. I suggest to hon. members of the Liberal party, in spite of their bravado, that they well know if, for opportunism such as they wish, they were able—they will not be able—to succeed in frustrating this constructive program and deprive this parliament of an opportunity of seeing this program implemented, it would be the most inopportune thing that could happen to them as well as being disastrous for Canada.

On the basis of the program, Mr. Speaker, I say to you that the Conservative government, the Conservative party, is prepared to go ahead and accept that responsibility of giving constructive government which the people have imposed upon us, satisfied when the proper moment comes to face the people on the basis of that program and that record.

(Translation):

Mr. B. S. Mackasey (Verdun): May I be allowed, Mr. Speaker, like many others, to offer you my congratulations for your appointment to the high office you now occupy. My short experience in the house has already convinced me that the welfare of our country depends, to a large extent, on the integrity and impartiality with which you fulfil your functions.

May I be allowed also to congratulate the mover (Mr. Chaplin) and the seconder (Mr. Vincent) of the address in reply to the speech from the throne. The quality of those first two speeches has set a standard that all members will no doubt wish to emulate.

(Text):

Mr. Speaker, as I stand here to speak for the first time in the House of Commons I do so with mixed emotions. I am very proud of being part of this house and representing the English speaking population of the province of Quebec. It is traditional, and perhaps in the spirit of democracy, that they have picked a backbencher to represent them here today, but at the same time I realize very humbly that I speak in the presence of so many distinguished parliamentarians, men I have admired and respected, men who are sitting on both sides of the house.

I have just listened with great interest to the Minister of Public Works. I listened with concern as he expressed his disapproval of our attack on the monetary system of Canada during the election, but I say in all sincerity that it was not the printing of funny money or our remarks on the monetary system which caused a run on the Canadian dollar. It was the remarks of the Minister of Agriculture when he blithely admitted that it did not matter whether the dollar stood at 95 cents or 90 cents, and that they could decide by a flip of a coin that it should be 92½. One cannot have respect for a government when one hears such talk from a minister of the crown.

Yesterday I listened with great respect to the Minister of Justice when he sprang to the defence of the deputy attorney general of Canada. With great indignation he stood up for this gentleman who, allegedly, was attacked by a member of the New Democratic party. What a contrast was his defence of the deputy attorney general to his behaviour in the Coyne affair.

Mr. Speaker, I am conscious of the fact that there is a new sense of awareness in the country. Never before in the peacetime history of Canada have so many people looked to parliament for leadership. Never before have so many people looked so desperately for some guidance and reassurance, for a plan to be formulated to show that leadership is available, leadership that will put the country back on the road to recovery. Like a man who has had his first heart attack this country realizes all is not sound with its economy. Its people are bewildered at the fact that there is no indication of a plan for the recovery of the economy, and they are anxious because the government does not take them into its confidence and confront them with the problems impeding our progress.

I am convinced that had the government introduced its austerity program a year sooner the people of Canada would look more favourably on the government than they do today. The people are ready, in a manner reminiscent of their wartime effort, to work, to increase production, to put their shoulders to the wheel if only the direction and leadership were available. Unfortunately the government is not taking advantage of this desire to face the facts. Rather, it is once again assuring the country that all is well, that unemployment is vanishing at a rapid rate and that in the very near future everyone will be back to work. For the sake of the unemployed I hope so.

The people remember the days when the prestige of Canada was at an all time high, when Canada's voice was a powerful one in the United Nations. They recall the time when the economy of Canada was strong and vigorous. Those were the days when skilled immigrants regarded Canada as the land of milk and honey. Those were the days when our dollar was more sought after than that of our mighty neighbour to the south. In five long years of Tory government the people have seen our prestige dwindle until our voice is no longer listened to, and our shores are no longer the goal of immigrants from prosperous Europe. Our money is no longer eagerly snapped up.

Canadians have sat back in amazement and watched the once proud Tory party accept, with gratitude, the assistance of the Social Credit party to stay in power. They accept the help of a splinter party whose very doctrine is fundamentally opposed to anything the Conservatives hold sacred. One would have thought that at least the Conservatives would have refrained from showing their glee.

As I listened first to the mover of the address in reply as he traced the industrial development of his constituency, and next to the seconder as he spoke with obvious pride of the industrial achievements of his country, I realized that I could not eulogize Verdun in either of these fields. The truth of the matter is that, situated as it is on the island of Montreal, the city of Verdun has long passed the time when it could lay claim to any achievement in the field of agriculture. Nor can we claim any fame in the field of industrialization, since the citizens of Verdun have long been happy to earn their living in the vast industries outside our boundaries.

(Translation):

The Verdun riding is remarkable for the quality of its citizens. It has a population of 86,000 and is the third largest city in the province. But as regards bilingualism, Verdun is probably first in the country. For years, English Canadians and French Canadians have lived side by side in perfect harmony and nobody will make them believe that in the sight of the Divine Providence, there is any difference between the nations that live on this earth.

(Text):

Our degree of bilingualism can be traced directly to our vast recreational program. From an early age our French speaking and English speaking children play together on our many playgrounds, and when they reach the age of reason it is very difficult for any adult, already poisoned by the seeds of racial intolerance, to convince them that their French speaking or English speaking neighbour is not a wonderful person.

(Translation):

As an English Canadian born in the province of Quebec, I have been for many years aware of the tremendous part played by the French Canadians in the building up of our country. Their faithfulness to Canada in the truly critical moments fills many pages of our history.

I am proud, Mr. Speaker, of being a citizen of Verdun and a resident of the province of Quebec. I boast of speaking, although with some difficulty, the tongue of my French Canadian friends.

(Text):

There are two other accomplishments of the community of Verdun about which I wish to speak very briefly. I am proud of the fact, for instance, that the name of Verdun is known throughout the free world, and indeed behind the iron curtain. Within the boundaries of Verdun lies the famous Verdun Protestant hospital, the leading institution dedicated to the alleviation of mental illness. There a dedicated staff, under the direction of Dr. Roberts, has introduced new techniques and new methods of curing mental illness, methods based on kindness, compassion and the restoration of human dignity. These methods have been copied by other institutions throughout the world for there are no barriers, nor should there be any, to the exchange of ideas in this field.

The last item to which I wish to refer is the tremendous contribution Verdun made in the last war. It is on record that Verdun had the highest rate of enlistment per capita of any large city in Canada. Is it little wonder then, Mr. Speaker, that the citizens of Verdun resent certain political leaders expressing their admiration for the two greatest exponents of man's inhumanity to man?

Listening, as I did, quite attentively to the speech of the Prime Minister I found little of consequence. I think it is a little surprising when one realizes that this government had an abnormally long time at its disposal to prepare its program. While the opposition and the people of Canada cooled their heels waiting for the convening of parliament, the Prime Minister prepared a program that got progressively worse as the available time became shorter.

I did, however, hear him express the desire to balance the budget. This after five years of record deficits—not calculated deficits to relieve unemployment, but record deficits at a time when the unemployment rate was at an all time high in the history of Canada. I could not help thinking, again on a regional note, as I listened to the Prime Minister, that a week or two before the election our Prime Minister promised to visit the city of Verdun,

as the Leader of the Opposition graciously did. We prepared the gold book, and all the traditional ceremonies that go with it, for our Prime Minister. What did he do? Mr. Speaker, the Prime Minister and his entourage sped through the city of Verdun by the shortest possible route and at the highest speed they could possibly go. Thousands of disappointed citizens were then left with the impression that the Tories had written Verdun off as being a bastion of Conservatism. On this latter conclusion I commend the Prime Minister for his foresight.

I mention this, Mr. Speaker, because the city of Verdun has as its proud city manager Mr. French, who has been able to balance the budget of our community for 24 consecutive years. Unfortunately for our Prime Minister, Mr. French is an avowed Liberal. So when the following evening came and the Associate Minister of National Defence (Mr. Sevigny) rose to his feet, I listened very attentively. I have had occasion to hear his marvellous oratory on previous occasions. Here was the voice of French Canada in the Conservative government. Perhaps in his own inimitable style he could fill in the many voids in the Prime Minister's speech. After all, the Prime Minister had things on his mind when he delivered his speech. He knew from the evidence confronting him, documented evidence, concisely and accurately placed before the people by the Leader of the Opposition, that Canadians were aware the government had callously hidden the true facts about the economy of Canada before the election.

What did the Associate Minister of National Defence do instead? He used the valuable time at his disposal to attack the Liberal government of the province of Quebec, the very premier who, by his co-operation, by his sincere desire to help his people, had gladly co-operated on the removal of tolls on the Victoria and Jacques Cartier bridges, probably the sole reason the Associate Minister of National Defence sits in parliament right now. I listened to the attack on the province of Quebec first started by the deputy leader of the Social Credit party and continued by the Associate Minister of National Defence and the hon. member for Vaudreuil-Soulanges (Mr. Bourbonnais).

The Lesage government, in the two years it has been in office, has done more to close the economic gap between Quebec and Canada than any other government in the history of that province. His reforms in the field of education, his introduction of the hospital plan, his exposure of the most corrupt political machine in the history of that province will result in an overwhelming Liberal victory in November. May we suggest that the Associate Minister of National Defence, instead of repaying favours to the remnants of this broken Union Nationale machine, should instead thank Mr. Lesage for keeping him in parliament.

I can document what I am saying, Mr. Speaker, and I should like to refer to *La Presse* of Thursday, May 10 with regard to the Champlain, Jacques Cartier and Victoria bridges. For hon. members outside the island of Montreal and the province of Quebec I would just like to take a moment or two to explain a little of the background. The Champlain bridge was conceived and started by the Liberal government in 1956-57. It was designed to alleviate the deplorable traffic conditions that existed on the two bridges, the Victoria and the Jacques Cartier. This magnificent structure was developed barely a mile or two from the two existing structures. The Victoria and Jacques Cartier bridges at that time were being taxed beyond their capacity—and when we come to think of it, so are the Canadian people today.

Therefore it was agreed to construct the Champlain bridge in order to alleviate traffic on these existing arteries. I compliment the government for having agreed that it was necessary to relieve the traffic across the mighty St. Lawrence.

However, Mr. Speaker, is this new bridge fulfilling its role? Is the Champlain bridge carrying thousands of automobiles in and out of the island of Montreal daily? In fact, while automobiles still line up on the old bridges bumper to bumper, the new bridge is relatively unused. The trouble comes from two sources. First of all, in their haste to assure the Associate Minister of National Defence re-election, the government removed the tolls from the Victoria and Jacques Cartier bridges. This was a good move; it helped the people. But the government omitted to remove the tolls on the new bridge, which is situated just a few miles away. Consequently, those motorists situated equidistantly from the toll-free bridges and the new Champlain bridge still use the old arteries, for in this day and age of austerity 50 cents a round trip is still a lot of money.

This is what *La Presse* of Thursday, May 10 had to say with regard to the alleviation of tolls on two bridges and leaving them on the third:

> The lack of logic is obvious. It was decided to build the Champlain bridge besides the two others to alleviate the traffic on these two latter bridges. Everyone understood the necessity. But what motorists who, having a choice between three bridges situated very close to each other, will seek out the only one on which they must pay? There will be some, of course, but they will be in the minority. Therefore these two bridges will

continue to be taxed to their full capacity. The purpose for which the new bridge was designed will not be achieved.

The following paragraph strikes me very forcefully, Mr. Speaker.

On the other hand, as the eventual minority of motorists using the new bridge will come from Verdun and St. Lambert-Laprairie, the toll will be for them a sort of indirect tax that will apply to them exclusively.

One of my confreres has suggested wryly that we surmise that this toll on the Champlain bridge will not last beyond the next election. Evidently the government does not intend to cede everything at once, in order to have some ammunition on hand for the next election. But in the present case one would suppose that reason would prevail. The Lesage government in particular has acted very impartially. It has not refused its collaboration on the excuse that it would help a rival government at the time of election.

I would suggest to the government that if it is their intention to remove the toll on the Champlain bridge just before the next election, they should do it in the next few days that remain at their disposal.

There is another problem in my constituency, Mr. Speaker, which I think exists right across this vast dominion of ours. It is the plight of a vastly growing segment of our population. I am referring to those young men—and I stress "young men"—who have reached the age of 40 and are out of work. Whilst the government is now discovering the need for vocational training and is attempting to turn out skilled labour for our industries, other very skilled workers, men who have worked for 20 years or so in the railways, in the aircraft industry and in the electronics field are being laid off because of automation or for other reasons. These men start out confident in their ability to find work. Has not the press blared out the need for skilled workers? But their confidence is soon destroyed as company after company refuses to hire them.

This was not because of any lack of talent but because these men are considered to be too old to work and too young for their old age pensions. Who says so? The architects of our company pension plan say so—these dealers in cold mathematics whose plans cannot tolerate the addition of new employees over the age of 40. Is this situation logical?

I did note in the speech from the throne some indication that the government has finally recognized this injustice. I would suggest that they discard for once the lines of political expediency and use the plan outlined in the Liberal program and elaborated upon by the Leader of the Opposition in a speech in the House of Commons last year. On this particular point, the government did finally recognize the difficulty, and I suggest they should use the few days at their disposal to implement without further delay a pension scheme which will end forever this insidious discrimination against our citizens in their best years of life.

When the Leader of the Opposition in his brilliant address suggested an extension of the federal share of expenditures in connection with slum clearance and urban renewal, members on the government benches ridiculed the proposal or referred him to the winter works program. But, in fact, Mr. Speaker, my community urgently needs some type of housing development for the use of its senior citizens, as do thousands of communities across Canada. It is of no use for the Tories to point to existing legislation in this regard. Private contractors, with few exceptions, are not using the legislation which is presently on the statute books pertaining to the construction of homes for the aged. The government itself, if necessary, should enter upon the construction of such homes. Every year, thousands of married couples in the twilight of their lives are forced to separate as the husband goes pathetically to an old men's home and the wife elsewhere. What we need, and need soon, is provision for our senior citizens to live out their lives together in security, comfort and privacy, and this might best be brought about through housing of a motel type such as is common in the Scandinavian countries. Our obligation to our senior citizens goes much further than simply raising old age pensions every few years. Private industry is not interested in the problem to any great degree, for if it is to build and operate these homes under present legislation it must charge rents far beyond the normal reach of our senior citizens.

I should like to point out briefly the experience of Toledo in the United States whose one-storey group of row housing units for older people represents one of the first of the new and imaginative approaches in this field in that country. Early in 1956, extensive research was begun to determine the extent for the need for public housing. I am sure the five points which I am about to mention and which represented the result, in part, of the survey, are deeply applicable at this time to Canada. These are:

1. Existing public housing did not provide the type of living arrangements often needed by elderly families.

2. Retirement acceleration had become an established practice in industry and many unprepared employees were being forced to retire.

3. The number of recipients of social security benefits was mounting monthly.

4. There were no opportunities for elderly families to continue living independently at a cost they could afford.

5. Neither private nor public funds were available to meet the need and to make this type of development a reality.

Unfortunately, time does not permit me to go into the Toledo plan in further detail, but the subject is one which I am sure hon. members would agree must be of great concern to us all.

Mr. Speaker, when I walk along the miles of boardwalk for which Verdun is famous I can look across the water and see ships from all nations as they travel up the mighty St. Lawrence seaway, contemplated and executed by the hon. member for Laurier (Mr. Chevrier) during the time when the present opposition was in power. When I listen to our good friends at the opposite end of this house saying that there is no difference between the two old parties I want to tell them this, that there is a basic difference. The Liberal party is a party of action and the Conservatives are a party of words. The record is here. Take, for example, unemployment insurance, a measure which members of the Social Credit party admire and want to stretch a little—in fact, I think most of them are sitting on their unemployment insurance now. Well, this was implemented by the Liberals in 1940. The veterans charter was brought in in 1953; family allowances in 1945; a national health program in 1948; old age pensions in 1951; old age assistance in 1951; allowances for the blind in 1951; and extension of the health grants in 1953; a measure to assist disabled persons in 1954; the second phase of the national health program in 1956; unemployment assistance in 1956; the Hospital Insurance and Diagnostic Services Act in 1957, and increased payments to children under the Family Allowances Act in 1957.

Lack of time does not permit me to give a complete list of all the accomplishments of the Liberals while in office. In closing, may I thank hon. members on both sides for the attention they have shown me in my maiden speech.

(Translation):

Mr. L. J. Pigeon (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, in the few minutes which I have at my disposal, I join all the other members in offering you my sincere congratulations on your appointment as Speaker of this house. The appointment of a French-speaking Canadian from a province other than Quebec is an honour for all citizens of my province, for we are conscious of the rights of the French minorities both in the other provinces and in the Canadian parliament. I congratulate you and offer you my best wishes.

I also wish to join all the other members of this house in congratulating the mover (Mr. Chaplin) and the seconder (Mr. Vincent) of the address in reply to the speech from the throne, who gave such a good account of themselves. They were a credit to their constituencies, to their party and to their country.

Mr. Speaker, may I call it six o'clock.

Mr. Speaker: It being six o'clock, I now leave the chair until eleven o'clock tomorrow morning.

(Text):

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

HOUSE OF COMMONS

Thursday, October 11, 1962

The house met at 11 a.m.

CRIMINAL CODE

AMENDMENT TO ABOLISH CAPITAL PUNISHMENT EXCEPT FOR TREASON

Mr. Reid Scott (Danforth) moved for leave to introduce Bill No. C-57, to amend the Criminal Code (capital punishment).

Some hon. Members: Explain.

Mr. Scott: Mr. Speaker, under the Criminal Code as it presently stands murder is divided into capital and non-capital classifications, with death being the punishment for capital murder and life imprisonment the punishment for non-capital murder. The purpose of this bill is to provide that, except in cases of treason, the punishment for murder shall be life imprisonment. In short, the purpose is to abolish capital punishment except in cases of treason.

Motion agreed to and bill read the first time.

CARRIAGE BY AIR ACT

AMENDMENT TO GIVE EFFECT TO WARSAW AGREEMENT

Hon. Leon Balcer (Minister of Transport) moved for leave to introduce Bill No. C-58, to amend the Carriage by Air Act.

Some hon. Members: Explain.

Mr. Balcer: The purpose of this bill is to bring into legislative force the protocol to the Warsaw agreement.

Motion agreed to and bill read the first time.

PUBLIC HARBOURS

APPROVAL OF AGREEMENT BETWEEN CANADA AND ONTARIO

Hon. Leon Balcer (Minister of Transport) moved for leave to introduce Bill No. C-59, to approve an agreement between the government of Canada and the government of the province of Ontario respecting public harbours.

Some hon. Members: Explain.

Mr. Balcer: The purpose of this bill is to give legislative authority to an agreement between the government of Canada and the government of the province of Ontario respecting harbours, along the lines of section 108 of the British North America Act.

Motion agreed to and bill read the first time.

EXPORT CREDITS INSURANCE ACT

AMENDMENTS INCREASING LIABILITY LIMIT, ETC.

Hon. George H. Hees (Minister of Trade and Commerce) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Export Credits Insurance Act to increase from two hundred million dollars to four hundred million dollars the limit of the liability of the Export Credits Insurance Corporation under contracts of insurance entered into under section 21 of the act; and to provide further for certain changes in connection with the administration of the act.

Motion agreed to.

AERONAUTICS ACT

AMENDMENTS RESPECTING BOARDS OF INQUIRY, ETC.

Hon. Leon Balcer (Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Aeronautics Act to authorize the Minister of Transport to establish boards of inquiry to investigate aircraft accidents, to give such boards the necessary power to carry out their functions and to provide for the expenses of witnesses appearing before these boards, and to provide further for certain changes in connection with the administration of the act.

Motion agreed to.

AIR TRANSPORT

BAGOTVILLE, QUE.—REQUEST FOR REPORT ON ACCIDENT

On the orders of the day:

Hon. Paul Hellyer (Trinity): I wish to direct a question to the Minister of Transport. Is the minister in a position to report on the accident that occurred at Bagotville yesterday, and has a board of inquiry been set up?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I think my colleague the Minister of National Defence has an answer to that question.

Inquiries of the Ministry

Hon. D. S. Harkness (Minister of National Defence): I regret to inform the house that at approximately 7.50 p.m. yesterday, October 10, a very unfortunate accident occurred at R.C.A.F. station Bagotville, when an R.C.A.F. CF-101B Voodoo aircraft, while taking off on a routine night operation, collided with a T.C.A. Viscount as it was turning off the runway. One member of the T.C.A. crew was killed instantly and one passenger died shortly after being admitted to hospital. The crew of the Voodoo managed to control their aircraft until they could ensure that it would crash in an open field before they ejected at a dangerously low altitude, and with some injury to themselves.

Until such time as a complete and exhaustive investigation has been carried out it will be impossible to determine the exact cause of this accident. Such an investigation was instigated immediately, and the most highly qualified personnel available were flown to the scene within hours. Every facility and assistance are being provided to this team. However, it is not yet possible to forecast when the results of this investigation will be available.

The Department of Transport is co-operating in the investigation.

Mr. Hellyer: As a supplementary question, is the control tower at the airport operated under the Royal Canadian Air Force or the Department of Transport?

Mr. Harkness: This is an R.C.A.F. station and the control tower is operated by the air force.

Mr. H. W. Herridge (Kootenay West): Will the minister give the house a complete and official report, when it is available, on this unfortunate accident?

Mr. Harkness: Yes, Mr. Speaker.

(Translation):

[*Later:*]

BAGOTVILLE—AIR COLLISION

On the orders of the day:

Mr. Maurice Cote (Chicoutimi): Mr. Speaker, following the fatal accident which occurred yesterday at Bagotville's military airport, could the Minister of Transport inform the house of the steps his department intends to take to avoid the repetition of such a tragedy?

Does the minister feel it would be worthwhile to consider the eventual use of St. Honore's fine airport by all civil and commercial aircraft?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, as my colleague the Minister of National Defence has just stated, a full investigation is under way.

As for the possible use of the airport in St. Honore, I do not think that will come in the near future.

(Text):

UNEMPLOYMENT INSURANCE

INQUIRY AS TO REPORT OF COMMISSION

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): I wish to direct a question to the Minister of Labour. Since the Thanksgiving season is over and fall is upon us, could the minister give us any information as to when we may expect the report of the Gill commission that is investigating the Unemployment Insurance Act?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I said earlier in this session that we expect to have the report from that commission some time this fall.

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM, B.C.—REQUEST FOR CO-OPERATION TO SOLVE PROBLEM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Prime Minister which is of great importance to the people of British Columbia and particularly those in southeastern British Columbia.

In view of the excellent suggestion made in the other place concerning the establishment of a Senate committee to investigate the Sons of Freedom problem, and in view of the urgent necessity of not allowing the problem to drift further, would the Prime Minister express the readiness of this government to co-operate with the provincial and local authorities to achieve a long term solution to this problem?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not think it would be appropriate for me to comment on the suggestion in the form of a resolution made in the other place. The matter is still under debate there, the discussion having been adjourned. However, I think I might say that throughout the years the Sons of Freedom have been problem adults, not only in Saskatchewan in my early days but also, in recent years, in British Columbia.

As far as the federal government is concerned, in so far as any portion of this problem falls within the responsibility of the federal government every consideration will be given to bringing about a settlement, though I must say, on the basis of the experience of years, one might express the hope without too much hope.

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask a supplementary question. In view of the Prime Minister's experience in connection with this matter, may I ask him if he has had—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —may I ask him if he has had any recent contacts?

(Translation):

AGRICULTURE

BUTTER—REQUEST FOR EXPLANATION OF SUBSIDY

On the orders of the day:

Mr. Viateur Ethier (Glengarry-Prescott): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

Could the minister give us some explanation about the 12 cents a pound subsidy paid at present by the government on Canadian butter and tell us for what reason whey butter is not included in that category?

Mr. Speaker: Order. I feel that the hon. member should put his question on the order paper.

HOGS—REQUEST FOR COMPENSATION FOR PREMIUM REDUCTION

On the orders of the day:

Mr. Bernard Dumont (Bellechasse): Mr. Speaker, my question is directed to the Minister of Agriculture and it concerns the 92,000 eastern farmers with an annual income of less than $1,200.

What compensation will the Department of Agriculture offer following the reduction of hog production premium, which means a loss of a million and a half dollars for our farmers? Shall we ask them to tighten their belts during the coming winter?

Mr. Speaker: Order. I think that the question, as put, rather aims at giving some information and expressing certain views. Moreover, and even if the question has some urgency, the information asked for is not of the kind which should be sought on the orders of the day.

Therefore, if the hon. member would have his question put on the order paper, he would no doubt receive an answer in the near future.

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, on a point of order. How is it possible to judge whether a question is important or not, urgent or not, or whether it should be put on the order paper? I notice that about 75 per cent of all questions are referred to the order paper.

Mr. Speaker: It is true that most questions should be on the order paper and the only ones allowed on orders of the day are those asked in view of immediately obtaining information which is urgently needed.

Again, I would suggest to the hon. member to read, or perhaps re-read, the comments in Beauchesne's book on the subject. The explanations it gives are, in my opinion, complete and we might continue—

Mr. Gregoire: Mr. Speaker, coming back to my point of order, I would like to point out that Beauchesne's book is printed only in English. We have no French copies.

Mr. Speaker: I am extremely sorry, but this book is a publication which, though it was accepted by parliament, has not been brought out by parliament, and the volume was only printed in English—

Mr. Dumont: Does the austerity program stop us from having it in French?

Mr. Speaker: There is no French copy of this publication in existence.

Mr. Gregoire: Mr. Speaker, could one not possibly have it translated into French?

Mr. Speaker: That is a matter which it is up to the house to decide and I do not think it possible to obtain an answer from anybody for the time being, nor that it is the responsibility of any one department in particular. However, I shall consider the hon. member's suggestion.

(Text):

Mr. Howard: Mr. Speaker, I wonder whether I could comment on the point of order which has been raised and suggest that no where in the citations to which you have referred us—certainly not in English; it may come out this way in the French translation —is there any reference to the question of urgency of a reply.

HARBOURS

HARBOURS—REQUEST FOR TABLING OF AGREEMENT WITH ONTARIO

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to ask the Minister of Transport if he will table the agreement between the government of Canada and the government of the province of Ontario respecting public harbours before the legislation comes up for consideration by the house.

Inquiries of the Ministry

Hon. Leon Balcer (Minister of Transport): Yes, Mr. Speaker.

CANADIAN NATIONAL RAILWAYS

REQUEST FOR IMPROVEMENT IN POSITION OF RETIRED PENSIONERS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Will there be any action taken at this session of parliament supplementary to that taken just before the end of the last session toward improving Canadian National pensions in the case of those already on pension?

Right Hon. J. G. Diefenbaker (Prime Minister): As the hon. gentleman knows, the proper answer in that regard is that when government policy has been determined, the house will be made aware in due course.

BRITISH COLUMBIA—PROPOSED DISCONTINUANCE OF TRAIN SERVICES

On the orders of the day:

Mr. Frank Howard (Skeena): May I ask a question of the Minister of Transport. On October 3 I asked the minister whether his attention had been drawn to the proposal of Canadian National Railways to discontinue trains Nos. 195 and 196 between Prince George and Prince Rupert in British Columbia later this month and, if so, what steps were being taken to prevent this proposal in order to ensure the safety and employment of the people involved and to maintain a degree of service to the communities. The minister answered on the following day, October 4, by saying that he had drawn this matter to the attention of the management of the C.N.R. and that when he had a report from them he would communicate with me again.

Because of the impending discontinuance of these lines which is coming closer day by day, I wonder whether the minister is now in a position to give the house some indication as to what is happening. Second, will he reply to the proposal with respect not only to trains Nos. 3 and 4 but to other trains of the C.N.R.?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, all I have to say is that I have not received a report yet from the management of the C.N.R.

Mr. Howard: A supplementary question. Would the minister get in touch with the C.N.R. again because of the extreme urgency of this matter to the people involved?

[Mr. McIlraith.]

Mr. Speaker: Right away on a supplementary the hon. member has been able to get his point across, but it is not a real supplementary. He is making a representation.

TRADE

TOBACCO—EFFORTS TO FIND EXPORT MARKETS

On the orders of the day:

Mr. Jack Roxburgh (Norfolk): I should like to direct to the Minister of Trade and Commerce a question of which I have sent him a copy. Have any of the trade missions dispatched by the government been advised to make a special effort to find a market for Canadian grown tobacco? If not, would the government consider instructing a mission to do so?

Hon. George H. Hees (Minister of Trade and Commerce): Most of our trade missions have been specialized industry groups, and as yet a mission representing the tobacco industry has not been arranged. However, during the past six months small missions of the Ontario flue-cured tobacco growers marketing board have visited Europe twice and Southern Rhodesia once, for the purpose of investigating export markets for Canadian tobacco in Europe and the production and marketing methods used in Southern Rhodesia. Departmental officials here and abroad facilitated the efforts of the two missions, and continuing work is being carried out as a result of these missions.

I might add that further activities will be undertaken shortly in the export promotion of Canadian tobacco, in which the department is co-operating with the tobacco marketing board.

OIL—REPRESENTATIONS AS TO CONTINUED ENTRY INTO U.S.

On the orders of the day:

Mr. Jack Davis (Coast-Capilano): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. In view of the fact that oil import quotas into the United States are announced prior to January 1 of each year, and because the recommendations of the United States interdepartmental committee are now in the hands of the President of the United States, what representations, if any, is the minister making to ensure that Canadian oil will continue to enjoy unlimited entry into the United States?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, the Canadian government is in constant touch and is corresponding with its opposite numbers in the United States regarding this and other important trade matters; and the United States

government has been kept fully informed of our very definite views on this important subject.

EUROPEAN COMMON MARKET—NEW PROPOSALS BY BRITAIN

On the orders of the day:

Mr. T. R. Berger (Vancouver-Burrard): I should like to direct a question to the Prime Minister. Has the government been advised by the government of the United Kingdom what the new proposals are that Mr. Macmillan has said he is going to put before the common market to deal with the points raised at the commonwealth conference?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there are continuous communications between the two governments but, according to parliamentary procedure, the nature of those communications is not given to the house.

Mr. Berger: A supplementary question. I was not asking the Prime Minister what was the nature or content of the communication. I simply ask by way of a supplementary question, if I may do so, whether the new proposals have been communicated to the government of this country.

Mr. Diefenbaker: Mr. Speaker, the answer I gave earlier applies to this question.

NATIONAL DEFENCE

NUCLEAR WEAPONS—INQUIRY AS TO ARMING OF CF-104 JETS

On the orders of the day:

Mr. Reid Scott (Danforth): I should like to direct a question to the Minister of National Defence. In view of the report in this morning's *Globe and Mail* that delivery has begun of 200 Canadian CF-104 jets to No. 3 fighter wing in West Germany, and in view of statements by officials that the plane cannot carry out its role as a strike reconnaissance aircraft without nuclear armaments, can the minister advise the house if the decision to deliver these planes constitutes a decision to arm them with nuclear weapons without which they would be unusable in their intended role?

Mr. Speaker: Order. I feel the question transgresses the rules of the house in a number of ways; first, as to the urgency of obtaining this information, and second, because I seem to detect a number of opinions expressed in the question. It appears to be an argumentative type of question rather than one seeking information.

Inquiries of the Ministry

NORTH BAY, ONT.—STATEMENT ON ALERT POSITION OF BOMARC CREWS

On the orders of the day:

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, yesterday the hon. member for Trinity asked if there had been a recent change in the manning of the North Bay Bomarc station. The answer is in the negative. Aside from a brief testing period earlier this year when the unit was first formed, there has been no change in the working hours of the crews on the Bomarc base at North Bay.

Hon. Paul Hellyer (Trinity): A supplementary question, Mr. Speaker. Can the minister advise the house if there is any intention of changing the state of operational readiness at that station at an early date?

Mr. Harkness: Not at the present time, Mr. Speaker.

(Translation):

SHIPPING

ST. LAWRENCE RIVER—WINTER NAVIGATION

On the orders of the day:

Mr. Laureat Maltais (Saguenay): Mr. Speaker, I should like to put a question to the Minister of Transport.

Could the minister tell the house what steps his department intends to take in order to facilitate winter navigation on the St. Lawrence river between Quebec city and Seven Islands during the winter of 1962-63?

Mr. Speaker: I must point out to the hon. member that his question should be put on the order paper.

(Text):

COMBINES

LUMBER—ALLEGED PRICE FIXING BY B.C. MILLS

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): I have a question for the Minister of Finance; I am sorry I have not been able to give him notice. Has the minister's attention been drawn to the allegations made before the United States tariff commission regarding the formation of a price fixing combine by British Columbia lumber mills, and has the restrictive trade practices commission recently had occasion to investigate such allegations?

Mr. Speaker: I think the observation I made with regard to an earlier question respecting the urgency of information applies here also. Further, since the allegations appear to have been made only yesterday it would be rather

difficult to have an answer as to whether the restrictive trade practices commission has had a chance to look into the matter.

REPORTS ON HEARINGS IN WHICH RETIRING COMMISSIONERS PARTICIPATED

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Finance what steps he has taken, now that the services of Mr. Smith and Mr. Whiteley will no longer be available to the government, to see that any unfinished reports in connection with any hearings which may have taken place under their direction will be completed.

Hon. George C. Nowlan (Minister of Finance): I have not taken any steps in that respect.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): I am sure the house will understand the quick reply of the Minister of Finance. One has heard so many speeches from the Minister of Justice on finance this session, it is understandable that this mistake is made.

I ask the Minister of Justice, in view of the fact the services of Mr. Whiteley and Mr. Smith are no longer going to be available, what has the government done, and the minister in particular, to assure that reports on which they were working will be completed in regard to hearings which took place under their direction.

Hon. Donald M. Fleming (Minister of Justice): Everything possible, Mr. Speaker.

Mr. Martin (Essex East): May I ask a supplementary question. Has the Minister of Justice, since the announcement of their retirement, had any communication whatever with Mr. Smith or with Mr. Whiteley with regard to this particular question?

Mr. Fleming (Eglinton): Mr. Speaker, I do not propose to interfere with any member of the restrictive trade practices commission in the discharge of his duties under the statute.

Mr. Martin (Essex East): Does that mean, then, that if these gentlemen do not make any reports, having in mind the fact that their services terminate at the end of the month, the hearings which took place will be allowed to lapse in so far as results are concerned; or will the minister order new hearings?

Mr. Fleming (Eglinton): It means that the hon. gentleman does not understand the situation. If he will examine the statute he will see what the situation is in this respect.

[Mr. Speaker.]

These terms do not expire suddenly. They are ten year terms that expire at the end of this month. If the hon. member will examine the statute he will find there is no provision for extending the terms for any lesser period than ten years. The only provision the statute makes is for appointment for a ten year period. In that situation, the utmost will be done to assure that the work of the commission will proceed with a minimum—with a minimum, Mr. Speaker—of problems.

BUSINESS OF THE HOUSE

INQUIRY AS TO AMENDMENT OF EXPROPRIATION ACT

On the orders of the day:

Mr. J. T. Richard (Ottawa East): Mr. Speaker, I should like to direct a question to the Minister of Justice and ask him whether it is the intention of the government at this time to introduce the bill amending the Expropriation Act, as suggested in two or three speeches from the throne.

Hon. Donald M. Fleming (Minister of Justice): Mr. Speaker, I think the hon. member has overlooked the fact that the bill has already been introduced.

(Translation):

POSTAL SERVICE

HAWKESBURY, ONT.—INQUIRY AS TO DELIVERY SERVICE

On the orders of the day:

Mr. Viateur Ethier (Glengarry-Prescott): Mr. Speaker, I have a question to put to the Postmaster General.

Could the Postmaster General tell us when letter carrier delivery service will start in the town of Hawkesbury?

Mr. Speaker: Order. I think the hon. member knows well that his question is out of order and that he will have to put it on another occasion, and not on the orders of the day.

(Text):

HEALTH AND WELFARE

LIEFCORT—STATEMENT AS TO COMPOSITION

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, yesterday the hon. member for Parkdale asked me a question relating to the composition of liefcort. I am advised that the food and drug directorate was not aware that the dose of estradiol in liefcort was ten times the usually recommend dose. I should point out, however, that much higher doses than the usual dose are given in the treatment of

certain diseases. It was only after an involved chemical analysis that we found it not to be an extract of adrenal glands but a synthetic extract of hormones and hormone-like substances related to the adrenal and sex glands, including estradiol.

While I am on my feet, Mr. Speaker, I should like to clarify an answer I gave in the house yesterday on our action in banning the distribution of liefcort. I told the hon. member for Essex East that the food and drug directorate of my department had stopped the distribution of this drug before action had been taken by the United States. In fact I find we acted before the United States food and drug administration let it be known that the drug could not be legally imported into the United States.

The point is that it is illegal for any drug to be imported into that country unless a United States new drug submission has been filed. The United States authorities discovered some time ago that liefcort was crossing the border, and customs officials were alerted automatically to refuse entrance to it. However, these instructions were based on the procedural question I have indicated. When Washington advised my department of the release on Tuesday, I assumed that it coincided with the issuance of instructions to border points.

Mr. H. C. Harley (Halton): Mr. Speaker, I should also like to direct a question to the Minister of National Health and Welfare with regard to liefcort. Dr. Liefmann has stated that he and his colleagues could continue to use liefcort. Is this in keeping with the order of the food and drug directorate?

Mr. Monteith: Mr. Speaker, a clear distinction must be drawn between medical practice and the manufacture of drugs. While my department does have the right to control a drug under manufacture, it has no power to interfere with a doctor using his medical judgment to give treatment to individual patients. Dr. Liefmann is no longer manufacturing this drug for distribution under any circumstances outside his own office, and that is the only point with which we can be concerned. If there is any question as to whether his medical qualifications permit him to prescribe treatments, that could be considered only by the appropriate medical licensing body, in this case the college of physicians and surgeons of the province of Quebec.

PROTECTION OF PUBLIC AGAINST IMPAIRMENT FROM SMOKING

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. In view of the urgent question by an hon. member a little while ago, asking the Minister of Trade and Commerce what steps the minister was taking to improve the tobacco industry, I should like to ask the minister what steps he is taking to protect the public from the impairment of health which results from smoking?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, the division of responsibility in the public health field is such that my department is not in a position to initiate educational programs in this respect. Each province must make its own decisions in such matters, though we are always ready to provide what assistance we can on request.

FISHERIES

NEWFOUNDLAND—REPORTED SHORTAGE OF BAIT

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): May I direct a question to the Minister of Fisheries, notice of which has been given. In view of the answer given by the minister yesterday, as recorded in *Hansard*, at page 351, would the minister advise the house what steps have been taken to relieve the shortage of squid used for bait by Newfoundland fishermen?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, the bait service of the Department of Fisheries has succeeded in obtaining small supplies of squid, inadequate it is true, but supplies of other types of bait have been made available and exploratory fishing in the area is being done to ascertain whether squid may be available in the near future. The whole problem is being very carefully watched.

TRANSPORT

WELLAND CANAL-SARNIA—WORKING CONDITIONS OF PILOTS

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, in answer to a question of the hon. member for Lincoln yesterday with regard to the Sarnia pilotage station, I should like to report that the department is aware of the work load situation at the Port Weller-Sarnia pilotage station. Pilotage in these waters is the joint concern of Canada and the United States. We initiated discussions earlier this week with the United States great lakes pilotage administration. Agreement has now been reached to register four additional pilots immediately, and others in training will be available in the near future.

Inquiries of the Ministry

BRIDGES

CHAMPLAIN BRIDGE, MONTREAL—CONSIDERATION OF REMOVAL OF TOLLS

On the orders of the day:

Mr. B. S. Mackasey (Verdun): Mr. Speaker, I address my question to the Minister of Transport. In view of the very heavy traffic on the toll free Victoria and Jacques Cartier bridges, is the government considering the possibility of eliminating the tolls on the Champlain bridge, which under present conditions is relatively unused?

Hon. Leon Balcer (Minister of Transport): My answer is no, even after my hon. friend's speech of yesterday.

PUBLIC SERVICE

A. S. WHITELEY—RETURN TO CIVIL SERVICE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Justice. What is the reason that assurance has not yet been given that Mr. A. S. Whiteley will be returned to a civil service position when his term as a restrictive trade practices commissioner expires at the end of this month?

Hon. Donald M. Fleming (Minister of Justice): Mr. Speaker, neither I nor the government has any power to appoint any person to the civil service. This is a matter for the commission. Mr. Whiteley has the opportunity that is open to him, and I am sure is well known to him, to make application for whatever position he may regard as suitable, if that is the course he chooses.

[*Later:*]

Mr. Knowles: May I ask the Minister of Justice a brief supplementary question. Does the government's austerity program stand in the way of the civil service commission restoring Mr. Whiteley to the civil service?

Mr. Fleming (Eglinton): The government has no austerity program. There is no such thing.

Mr. Hellyer: It has no program, just austerity.

Mr. Frank Howard (Skeena): I should like to ask the Minister of Justice whether or not the government has any type of program.

Mr. Fleming (Eglinton): It has a most comprehensive program that will, if given an opportunity, commend itself I am sure to the wisdom of this house.

[Mr. Balcer.]

Mr. Speaker: I think on that note we may proceed with orders of the day.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, October 10, consideration of the motion of Mr. Gordon Chaplin for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Speaker: I believe now the house is ready to hear the hon. member who has the floor.

(Translation):

Mr. L. J. Pigeon (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, this 25th parliament meets in special circumstances since Canada must face heavier responsibilities.

Personally, I am both pleased and honoured to be able to bring my modest contribution to this task as parliamentary secretary to such an important minister as that of agriculture. To my knowledge, it is the first time that a French Canadian holds such a post for that department in this house. I shall thus have the opportunity of being of greater service to the farmers of my country, to my fellow-citizens in eastern Canada as well as those of my province and of my constituency, who are already assured of my devotion. I have no greater wish than to put the knowledge I have of agronomy and my humble talents at the service of our nation's agriculture and of the development of the area which has done me the honour of re-electing me. Farmers from all across Canada, as well as eastern farmers and especially Quebec farmers, will find that I am ready to listen to their problems and to co-operate.

Although Canada is becoming an industrial power in the world, agriculture remains indeed one of the most vital factors in the Canadian economy. But it is true to say that the number of individuals directly concerned with agriculture has come down in these last few years, although farms are getting larger and production is more and more industrialized.

Agriculture remains the basis of our national economy and the yardstick of our prosperity. But in Quebec, we note with regret that of the 134,000 farms under cultivation in 1950, there were only 122,000 left in 1956 and scarcely 96,000 in 1961. Agriculture has not been too affected however, since farm production has continually gone up. Using new machinery and new methods, our farmers are

more active and our farms more productive.

It cannot be denied that it is the result of the work carried on, during the last few years, by our federal Department of Agriculture, the dedication of our county agronomists, the co-operation of numerous experts and in particular the result of the sustained efforts made by professional associations and co-operatives who lead and support the farmers.

However, in the front rank of these organizations comes our federal Department of Agriculture whose experiments and research benefit the whole country. I will be called upon to work more closely, in the future, with that department and I am proud of it because I will have an opportunity to help implement our Minister of Agriculture's great instructions regarding the marketing of agricultural products, their classification, the health of livestock, the freight subsidy for grains and finally the fine provisions of the Agricultural Stabilization Act. The last report of the stabilization board, which was received a few days ago, shows that more than $126 million were spent on agricultural prices support in Canada and that 18 products of various kinds benefited from it.

In Canada, and especially in our province, the considerable progress already seen is due to an elite of farmers who have been trained by great agronomists and true philosophers of rural thinking.

However, I worry over the fact that most of our family farms are not getting an adequate income. When one thinks that rural life rests first upon the family and then the parish, it is urgent that every endeavour be used to raise the standard of life of our rural families, so that the farming class can enjoy the same benefits and the same privileges as the other social classes.

According to the figures of the 1951 census —those from last year are not yet available— the gross income of more than 50 per cent of farms in the six eastern provinces of the country amounts to less than $2,500. This is absolutely insufficient for the owner or the producer who had to make heavy expenditures to organize his farming operations and who finds himself with a completely inadequate income which prevents him from enjoying a standard of life where he could honourably provide for his family and for the education of his children. This situation exists mostly in the areas which are called marginal. There might even be some at home.

I firmly intend to use my knowledge and energy to seek a solution which will raise the living standard of our farmers, especially in Quebec. In many cases, our farms are undoubtedly too small to give an adequate yield. We shall very likely have to make full use of our tillable land and industrialize reasonably our farms for the processing of western grain, in order to promote more extensive cattle farming at home.

We shall also have to strive to produce economically feed grain for the production of poultry, hogs and beef, if possible, in the eastern provinces. I am sure that the committee on feed grain will be able to consider this problem with the co-operation of the Canadian wheat board. This problem is of particular interest to me.

Other marginal areas will need additional assistance, and I believe that the legislation adopted some time ago under the name of Agricultural Rehabilitation and Development Act, better known as ARDA, can bring a solution to this problem.

This legislation can become a vital instrument in these areas, either by promoting certain specialized crops, the development of co-operatives and local industries, the grouping of certain operations, reforestation, and the rest. The act permits use of the knowledge, energies and goodwill of all those who want to contribute to the economical improvement of the less favoured centres. Here again, I find a problem which calls for a solution and I have been working at it for some time.

I should like to point out that, as early as the first of May 1962, the Minister of Agriculture, with whom I have the honour of co-operating presently, sent out to premiers of the provinces an invitation to co-operate with the federal authorities for the implementation of this Agricultural Rehabilitation and Development Act. For instance, the federal Department of Agriculture is contemplating an assistance of about $10,439,000 for the province of Quebec, over a three year period, $750,000 of which would make up the first payment.

I dare hope that the government of the province of Quebec will sign an agreement on this matter with the federal Minister of Agriculture, at the earliest possible date.

ARDA, with the possibilities for action and adjustment it opens, has already been recognized as the legislation of the century. It is a new tool in the hands of men who pride themselves with being modern. Therefore, it is up to us to make use of it so as to give better service to the people.

May I now quote a few thoughts expressed by the minister Edgar Pisani, of France:

> Since we are swept along, rivalled and buffeted by civilizations opposed to ours, it is our duty to give to all men mastery over their trade, the capacity to organize their efforts concerning their industry and to bind them to a civilization of which they are the trustees, the beneficiaries and the guardians. Each farmer must be given mastery over all that, if not, we will have failed in our task, which is to give everyone a hope, everyone a future.

We earnestly wish that the provinces will agree to implement that important piece of legislation.

Allow me to point out the benefits which have accrued to Canadian dairy producers since the support price on butter has been increased from 58 cents to 64 cents a pound, that is a supplementary increase of 6 cents a pound, from May 1958 to September 1962. Total production during that period amounted to 1,633,901,000 pounds. If we add to that amount the estimated production, from September to December 1962, that is 108 million pounds, the total amount would reach more than $98 million. That additional income is, therefore, what Canadian farmers have gained and will gain, for butter production, on account of the increase in the support price from 58 cents to 64 cents at the end of December 1962. To that might be added the fact that all Canadian producers of milk, to be processed for purposes other than for butter, have also benefited from an increase of about 25 cents per hundred pounds for their milk, either for the production of cheese, concentrated milk or other concentrated products, there again about $12 million a year.

May I emphasize that the provinces alone have the right to legislate in connection with the sale of dairy products within their respective territory. To that effect, all provinces—except Newfoundland—have a provincial milk board. These boards determine milk prices paid to the producers for the sale of non-processed milk on the public market. Minimum prices for milk producers selling their non-processed milk to the consumers have been established, and several provinces have even established minimum prices per quart to be paid by the consumer.

Mr. Speaker, some provinces have entered into an agreement with Ottawa in order to implement our excellent federal crop insurance act. It is quite pointless for us to wait for a reply from the Quebec department of agriculture, which would allow farmers of that province, especially those who are engaged in specialized farming, to benefit from the advantages of that act. The federal government is prepared to pay 20 per cent of the cost of premiums and 50 per cent of the administrative cost of that act.

Mr. Speaker, it is probably as a result of the excellent farm policy of the present federal government, as a newspaperman from *La Presse* wrote on September 25, that:

> Quebec farmers prefer to borrow from Ottawa.

The same newspaperman also pointed out the following:

> Under the federal-provincial agreement on farm loans, the provincial government grants a 2.5 per cent refund on the 5 per cent interest claimed by Ottawa from borrowers. This means that the rate of interest on federal loans is equal to that of the provincial farm loan board, i.e. 2.5 per cent.

The Quebec government is granting that refund because the provincial farm loan board has run out of funds.

> Even if the interest rates are now identical—

The *La Presse* journalist goes on to say:

> —what advantage is there for people in Quebec in appealing to the federal government rather than to the provincial government?

To those who ask the question, Ottawa answers that the maximum loan awarded by the federal farm credit corporation is $27,500, i.e. $12,500 higher than the loan granted by the provincial farm loan board. The large farm owner who wants to modernize his facilities therefore finds it more interesting to borrow a large amount than to ask for a small loan, and that is why he turns to Ottawa.

It is, therefore, not surprising, in order to complete the figures I quoted a moment ago, to hear that the number of loans granted in Quebec this year is about 750 per cent higher than last year, having risen from 109 to more than 800. This is how the federal government helps Quebec farmers.

It should also be pointed out that, for the first time this year, the farm credit corporation published in a single volume a completely bilingual report. This is another gesture in favour of bilingualism on the national level.

With regard to French Canadians, it also seems proper to mention that two of our own people have recently been appointed members of the advisory committee of the agricultural stabilization board. I refer to Mr. Georges E. Turcotte, who has been recently appointed assistant director of the federated co-operative of Quebec, and Mr. Lionel Sorel, deputy president of the catholic farmers' union of Quebec.

Mr. Speaker, another achievement of the present government could well, in the long run, become vital for the cause of peace and agriculture in the world. I refer to the development of a world food plan, called for a long time food bank. The purpose of the plan is to achieve a more equitable distribution of the food resources in the world; to put at the disposal of depressed or underdeveloped nations food that the more developed nations sometimes produce with surpluses.

Decisive action along those lines was taken early last month when delegates from some 30 countries met at the United Nations headquarters in New York. It was, as it was called, a subscription conference aimed at raising the necessary funds for the financing of this food plan. In fact, some 20 countries agreed to subscribe the equivalent of about $87 million out of an objective of $100 million. Other contributions will probably come to complete this objective during the next few months, thus getting the plan going on an experimental basis, at first.

Mr. Speaker, this recent conference in New York followed logically the meeting of the FAO held in Rome last fall. At both meetings, the leader of the Canadian group was no other than the present Minister of Agriculture. At both meetings, the minister moved the adoption of measures necessary to ensure a good operation of the plan. On behalf of Canada, the minister pledged, moreover, a financial contribution of $5 million, with a third in cash and two thirds in farm products.

During a recent speech he made in my riding of Joliette-L'Assomption-Montcalm, the present Minister of Agriculture said unequivocally that the main Canadian contribution to the plan would be in dairy products.

In that respect, I should like to point out that such a plan had been advocated for practically 20 years. The international federation of farm producers had been asking for such a scheme at everyone of its annual meetings. So had the Canadian Federation of Agriculture and, by the same token, the catholic farmers' union and the Quebec federated co-operative which automatically support the international federation since they are affiliates.

Mr. Speaker, I am sure all my colleagues are just as happy as I am about the fine steps taken and the important appointments made by the present government.

We can only be confident in the future because the speech from the throne pointed out that Canada's crops this year are abundant and of fine quality, and that our foreign markets for agricultural products have greatly improved.

The Department of Agriculture is headed by a very likeable and competent man who fully understands the needs of farmers as I found out.

Mr. Speaker, even though I have been immediately concerned with the affairs of the Department of Agriculture for only a few weeks, I was in a position to realize that some of the recommendations of the Glassco commission are well founded.

I appreciate the aspirations of our ethnical group within the Canadian confederation. In my opinion, the main duty of the Canadian Department of Agriculture, where I shall now be working, is to guide, direct and support the efforts of Canadian farmers. Now, in the province of Quebec and in other areas of the country, in eastern Canada mostly, there is a large group of farmers who want to progress and to bring their contribution to our economy, but who do not speak the language of the majority. Now to guide and manage properly, this department, which is now in command, must have excellent communications with French speaking farmers.

After spending a few weeks in studying the organization of this large department, I feel that improvements would be possible in this field of better communications between this department and our French centres in particular.

I wish to assure the farmers in my province and in other centres of French Canada that I shall make every effort to improve that situation. On that point, I can already count not only on the understanding but also on the full co-operation of the Minister of Agriculture as well as on the co-operation of my colleagues in parliament, especially if

I can show them that everything that could raise the economic level of our people, when they understand better the instructions of our national Department of Agriculture, will help strengthen the whole Canadian economy.

Without interfering with the business of the civil service commission, we encourage by every possible means, the bilingual agronomists and agricultural technicians to take their place within the federal Department of Agriculture. After all, the role of agriculture in Canada is first of all to feed the nation, to feed it well as far as quantity and quality are concerned, and then to do its own share in order to restore the general economy through exports in every available sector.

(Text):

Mr. Speaker, I wish to assure the farmers from all over Canada that I shall be very glad to help them, to do my best to co-operate with their organizations, their officers and their families. It is a great challenge for a young agronomist from the province of Quebec to study the problems of all Canada, but it is also a great privilege to be called upon to serve under such a distinguished minister as the one who now directs the Department of Agriculture. I shall do my best to understand the problems and to look for the best solutions.

(Translation):

Mr. Speaker, for my part, I hope I will be of some help to Canadian farmers, especially to those of eastern Canada. Any requests or suggestions that they, their associations, their agronomists send me will be welcome since that will enable us to help Canada maintain the position of honour it occupies at present in the world's economy. Thus, we shall play a part in safeguarding our farmers' fine reputation. Anyone who gives me his co-operation will receive in return unselfish and full support from me, in the best interests always of this social class which the farmers constitute.

Mr. R. J. Teillet (St. Boniface): Mr. Speaker, first, let me offer you my best wishes of good health and success as well as my sincere congratulations on your election as Speaker of this house.

The honour conferred upon you is a credit not only to your electors of Edmonton West, to your city of Edmonton and to your province, but, even more important, I think, to the French speaking population of our beautiful western prairies, this population which, perhaps more than any other group in the whole of Canada, not only works and makes tremendous efforts to maintain and ensure, first, the survival of its culture and its mother tongue, but also makes enormous sacrifices to ensure the development of the true spirit of the Canadian confederation.

I could easily dwell upon this matter for hours, and with all my heart. However, this is not the time to deal with such a subject. I hope to have the opportunity to do so later.

(Text):

May I also express my congratulations to the Deputy Speaker, the hon. member for Winnipeg South (Mr. Chown). I am certain the hon. gentleman will do honour to his riding, where many of my family reside and where I was born. He will also do honour to his and my province. While I say these things very sincerely, I must also say with equal sincerity that I cannot give him any assurance of assistance in retaining his seat at the next election.

May I also join with other hon. members who have spoken and express my congratulations to the hon. member for Waterloo South, who so ably moved the address in reply to the speech from the throne.

(Translation):

I also congratulate the hon. member for Nicolet-Yamaska (Mr. Vincent) for having performed his duty so well.

Mr. Speaker, since I am making my maiden speech before this august assembly, I should have liked today to say a few words about the beautiful riding of St. Boniface, about the city of St. Boniface, which is the cradle of civilization in western Canada.

I should have liked to speak about that beautiful province so closely related to the past and to the history of my ancestors and of my family, history which is one of the glorious chapters of the history of our entire country.

Lack of time and the atmosphere prevailing in this parliament prevent me from doing so.

However, Mr. Speaker, I must call the attention of the Postmaster General (Mrs. Fairclough)—I am sorry the hon. lady is not in her seat—to a difficulty which exists within her department. A few years ago, the people of St. Boniface were given the assurance by the Post Office Department that their postal designation would not be changed. A few years later, I think it was in 1960, without any notice to anybody, that department publicly announced that in the future, St. Boniface could be designated as Winnipeg 6. As a result of the protests coming from that city, the then authorities agreed that St. Boniface could be designated as St. Boniface or St. Boniface 6. Since that time, be-

cause of the continued publicity given to the original regulation that there was an option between Winnipeg and St. Boniface, we have been constantly receiving letters addressed to Winnipeg 6.

That city of St. Boniface, which already has to fight unceasingly in order to keep its identity, takes exception to the fact that because of a blunder made by that department, people keep using the name of Winnipeg to designate St. Boniface.

I think that the new minister should secure information on that matter and that steps should be taken to put a stop to this unfortunate habit. She should take immediately the necessary measures to make sure that any communication, especially from the federal government, is addressed correctly and that instructions are sent to the local authorities in order to put an end right away to that situation. I will no doubt have the opportunity to take that matter up again later, if the house continues to sit.

We have seen, since the opening of this parliament, the most unbelievable tactics. We have seen the leader of the government and his ministers behave in such a way that the level of debate in this house has become that of a school for badly brought-up children. If the ministers, in spite of the position they hold in this house and in the country, have been able to see their duty in such a light that their present behaviour is the result, I can understand, Mr. Speaker, the hard task that is yours in maintaining order.

Mr. Ricard: It is your fault.

Mr. Teillet: After all, it is the ministers who set the tone of the debates and they have failed in this regard as in many other fields.

These past few days, the official opposition and its leader have made a sustained effort to check the massive propaganda put out by the Conservative party through a propaganda machine whose efficiency is perhaps unrivalled anywhere on this side of the iron curtain. Every trick is used: half truths, implications, slips of the tongue, serious accusations without any foundation, but especially a technique which was developed to a high degree during the 20 years which preceded world war II and which was perfected by the communists throughout the world. It consists in repeating false accusations loudly enough and often enough so that not only the public but even those who spread them come to believe them.

We have seen the government become so smug and conceited that they think themselves infallible. And if any one has the courage to criticize them and show them their mistakes, they cry out that they are attacked personally, because, after all, since they are infallible, any criticism becomes a personal attack. We heard the leader of that party and of the present government complain that he was attacked from all sides—

Mr. Ricard: It is true.

Mr. Teillet: —but when he is requested to show evidence in support of his statements, he keeps silent, absolutely silent.

(Text):

Some hon. Members: Hear, hear.

(Translation):

Mr. Teillet: We are aware that the propaganda machine is preparing another offensive in order to have the chief of the government look like a martyr—

Mr. Ricard: Just drop in my office, and I will show you some.

Mr. Teillet: Just a minute, give me a chance to make my speech.

But, for that purpose, it needs some standing ground. Since those statements are baseless the leaders of the present government are supplying such a ground with their remarks here, in order to enable their propaganda machine to quote *Hansard* and make the voters believe that there is some truth in those statements.

Mr. Ricard: Just pay me a visit in my office, and I will show you some.

Mr. Teillet: There is also that other technique which consists in accusing the opponents of using the tactics one is preparing to use.

Some hon. Members: Oh, oh.

Mr. Teillet: We have seen such tactics used by the Conservative party, when they accused the Leader of the Opposition of making personal attacks on the head of the government, while knowing such charges were baseless and without any substantiation; they were in fact false statements, and they knew it. On the other hand, what were they doing themselves? The Prime Minister himself was attacking the Leader of the Opposition, charging him with the responsibility for the financial stress of our country and moreover accusing him also of sympathizing with the communists. An accusation of incredible baseness, when it is recalled that the present Leader of the Opposition, with his predecessor, were among the main architects of the sole organization that could finally stop the inroads of communism in Europe.

(Text):

Some hon. Members: Hear, hear.

(Translation):

Mr. Teillet: I refer to NATO. Attempts were made to deny the Leader of the Opposition credit for this, because it would have

proved the baselessness of too many statements made by the Conservatives. Therefore, attempts were made to destroy him by accusing him of sympathizing with the greatest threat against today's world. This manoeuvre at the disposal of their propaganda machine succeeded in deceiving many people. Finally in order to pit himself against the great talents of the Leader of the Opposition, the head of the government tried fraudulently to monopolize for himself the credit for the famous incident of the communist shoe in the united nations assembly. Falsehoods.

Here are further examples:

(Text):

You will have noted, Mr. Speaker, the method by which the Conservatives have avoided the problem of unemployment. Every time the question comes up they tell us that there are more people working in Canada today than ever before. That is correct; I do not deny it. That is their method of answering criticism of their policies to maintain full employment. I call this tactic the tactic of the half truth. By telling this half truth they hope people will believe, as many did during the last election, that there are no problems, that everything is well in the best of worlds because the fact of a Tory government being in power is enough to chase all these problems away.

Let us look at the declarations of these people in the field of agriculture. They have claimed that the farmers have never had it so good. They have claimed that their policies have vastly increased our exports of grain. They have claimed that "cash income from farm operations reached an all time high." That is a quotation from a speech of the Prime Minister in the house the other day, and it appears on page 98 of *Hansard*.

These same statements were made in all areas of Canada during the election campaign; half truths, all of them. In each case they have told only half the story. In each case when the full story is told the picture becomes altogether different. Each case is a good example of the work of that party's propaganda machine, and in each case such a good job has been done that I almost think the Minister of Agriculture himself believed he was telling the truth—almost, but not quite.

Let us look at the facts. It is important that these facts be known. This distorted picture has caused such an impression on the people of our urban areas both in western Canada and in eastern Canada that it may become difficult to obtain the assistance that western farmers need. The picture painted will make it look ridiculous when we come to claim needed and justifiable assistance for western farm communities. With such a rosy picture in the minds of the public generally, how will this government or the Liberal one to follow justify itself when expenditures are required to assist western farm communities?

There are still many things that need doing, and some of these things are referred to in the Liberal policy declaration which was laughed at the other day by the parliamentary secretary to the Minister of Agriculture when he took a document supposedly to be placed on record in *Hansard* and then proceeded to place on that record only a very small part, and that small part distorted. We may have more to say about that later on.

First let us look at the export record. Here, if the government and the minister concerned had told the whole truth, no one would have been able to criticize too severely. The record for the period of Tory government from 1957 to date is good. In fact it is almost as good as it was in the corresponding period of Liberal administration. That, for a Tory government, is quite an accomplishment. During the years from 1957 to 1962, total exports of grain and grain products amounted to 2,029,560,000 bushels, or an average of 405,900,000 bushels a year for that period of five years. In the corresponding period of five years, 1952-57, the total exports of grain and grain products were, 2,199,503,000 bushels, or an average of 439,900,000 bushels per year. In other words, the Tory record was only 169,932,000 bushels during the period under review, or 33,986,000 bushels average per year less than the previous corresponding Liberal period.

But in all fairness there may have been a good reason for this. Production dropped considerably during the latter half of the period which I am reviewing, and these figures are most interesting. During the previous five years farmers produced in wheat alone 2,760,212,000 bushels, while during the latter period wheat production was 1,922,061,000 bushels. In other words, if the production record had been maintained during the Tory period of this review, we would find an additional 837,151,000 bushels of wheat on hand at the end of the 1961-62 crop year. That, Mr. Speaker, is the complete picture; and incidentally, the figures I have quoted here are from the Canadian wheat board.

Now let us look at the claim "You have never had it so good", and "Farm cash income from farm operations reached an all time high". Mr. Speaker, you will recall that the other day I attempted to have the Prime Minister define what he meant by "cash income" and his attitude to me was "Sit down, little boy. You are new here. Talk when your elders will permit you". And he refused to

answer the question. He said, as reported on page 98 of *Hansard:*

> All I can say is that I think it defines itself for most hon. members.

Well, Mr. Speaker, does it define itself for most hon. members? There is one here to whom it obviously does not. The term "cash income" as used by the wheat board and by the grain trade means "cash received from all farm operations", and is the equivalent of the term "gross income". The Prime Minister's statement is almost correct. The cash income from farm operations in 1961 has been exceeded only twice, and that was in the early fifties. But that is not the point I wish to make. The real point is that that figure of the highest cash income in 1961, according to the Prime Minister, points up the real difficulty of our western farmers. If we add the last half of this story to the first half stated, we then have the whole picture and the whole truth, which is this. During the year when the Prime Minister says that the cash farm income from farm operations was at an all time high, the net income for the farmer—that is, the amount left to him after deducting his costs—was the lowest in ten years. That is the complete story.

Mr. Horner (Acadia): May I ask the hon. member a question?

Mr. Teillet: Mr. Speaker, I will give the hon. member the same privilege the Prime Minister gave me; if I have time later, perhaps.

At this point I want to appeal to all hon. members of this house to understand that this is the real plight of our farmers in Canada. The cost price squeeze is equalled in importance only by the need for markets when judging the problems of our farm community. I trust that when a government comes before this house to legislate for assistance for our farmers in our western country, hon. members will overlook the glowing reports given by the Minister of Agriculture and the Conservative party. I trust that hon. members will tell their constituents that our western people are not crying wolf while they are rich and have "never had it so good".

I wonder if the Minister of Northern Affairs and National Resources, who I do not see in his seat, has heard the story going the rounds in Manitoba about the statement by the Minister of Agriculture that the people in the constituency of Brandon-Souris, the constituency of the minister of northern affairs, were so rich that it was impossible to buy an automobile in Brandon, and that they were taken as quickly as they came in. Someone took the trouble to check that, and that story is in the same category as the rest of the Conservatives' statements. There are ample automobiles available in Brandon.

Mr. Speaker, there is on this question a most interesting editorial in the Manitoba *Co-Operator* of September 6 of this year, which I should like to quote at length. The heading of the editorial is "Mr. Hamilton's Prophesies", and the editorial describes the present crop situation as it appeared to the writer. It goes on to say this:

> It is true that farmers delivering wheat will benefit initially from the higher prices received at the time of delivery, but this only applies to wheat, and to suggest that farmers will have the opportunity to deliver grain to country elevators in large volume prior to Christmas would be foolish. This means that the grain farmers' income from the sale of cereals will be well distributed over the crop year and controlled by quota regulations. It is possible that there may not be room in country and terminal elevators for all of the anticipated deliverable grain in this crop year. This, however, will be determined by the volume of export business.
>
> The farm organizations, the management of their elevator facilities and the private companies are realistic on this issue and understand it thoroughly. They are not pumping propaganda to incite the layman. In their modesty they refrain completely from predicting big prices that may not be realized. They are well aware that this year's crop may well produce a great variety of grades, and when the final returns are in at the end of the crop year, No. 3 Northern is likely to be the average wheat grade and the average price. The initial price for this grade is $1.42 per bushel basis in store Fort William/Port Arthur or Vancouver, but less than $1.25 per bushel at the average western Canada country elevator point after handling and elevation charges are deducted. Oats will probably average No. 1 Feed or 44 cents per bushel at the average shipping point. Barley will probably average No. 1 Feed and this will fetch a price of 72 cents per bushel at the time of delivery at the average shipping point. There is no responsible grain spokesman in the west, outside of the political field, suggesting that wheat this crop year will approximate $2.00 or oats 90 cents or barley $1.20 a bushel.
>
> Agriculture Minister Hamilton has been enthusiastic enough to do this. To reach the prices he suggests, No. 3 Northern will have to fetch at least another 75 cents a bushel over and above all charges. No. 1 Feed oats will have to realize at least another 46 cents, and No. 1 Feed barley another 48 cents per bushel average for western Canada. Mr. Hamilton is not only doing the west, and the grain farmers in particular, a disfavor by his inappropriate statements, but is giving eastern Canada and the western layman a greatly distorted impression of what is to come out of the west. True, the prospects are optimistic and thoroughly better than a year ago, but Mr. Hamilton's exuberance puts him in the category of being excessively adventurous in his prophesies.

Now, Mr. Speaker, I want to say a word about crop insurance. The problem of crop insurance, as we see it now in Manitoba, is a relatively simple one. Enough research and experience has been acquired to reach certain conclusions or, to be more accurate, to confirm the conclusions reached when the scheme was first examined. No one today will deny the necessity of a sound crop insurance

scheme. It has become a vital necessity if the farm community is to survive and avoid becoming wards of governments. I have not time to develop this, but I recommend an examination of the crop insurance scheme report in Manitoba, which in effect said that it was not practicable for a province to carry out an insurance scheme on its own.

Then, Mr. Speaker, a crop insurance scheme was set up under a federal act and some test areas, I believe five in number, were set up in Manitoba. So far, of course, less than 10 per cent of our farmers have participated. There seems to be some doubt about things in their minds, and that, of course, is understandable. When the act was put into effect, the basic requirements for the success of such a scheme were overlooked. Federal participation in premium cost was too low, and it left to the province the larger share of the risk.

I believe that the parliamentary assistant made a statement that confirmed this just a moment ago. This is the very area where the resources of the province are too weak to ensure success. In fact the present scheme, if established over the wide area required for full participation, would risk becoming an open end liability for the provinces which would cause them to become bankrupt.

In this connection, Mr. Speaker, I should like to quote from a speech by the minister of agriculture for Manitoba, which he made to the agricultural bureau of the Winnipeg chamber of commerce and which is reported upon in the Winnipeg *Tribune* of December 13, 1961, as follows:

> Provincial agriculture minister George Hutton has ruled out any expansion in the Manitoba crop insurance program unless the federal government comes up with a better method of backing it.
>
> Tuesday he told the agricultural bureau of the Winnipeg chamber of commerce that crop insurance couldn't be expanded to cover the whole province with the present system of federal guarantees for losses in the scheme.
>
> Unless the federal government makes changes in its crop insurance act all the western provinces, not just Manitoba, could not provide sound crop insurance, the minister said.
>
> In Manitoba another bad crop year could bring losses as high as $30 million in the insurance scheme, because there could be a large number of applications following this year's drought. This would be a "tidy sum" to dump on the provincial treasury, said Mr. Hutton.
>
> Under the existing agreement with Ottawa, the province pays the first $200,000 in crop insurance liabilities after the premiums collected and the previous year's reserve have been paid out. Then the province can borrow 75 per cent of extra money needed to cover losses from Ottawa. The province floats its own loan for the remaining 25 per cent. "This in effect means that the province has to borrow all the money in the losses", Mr. Hutton said.
>
> The Manitoba government has proposed a new guarantee for the plan under which the federal government would pay for a large part of losses incurred in years when the crop insurance scheme goes in the red. The federal payment in bad years would be made in exchange for an annual premium paid to Ottawa in both good and bad years.

It is evident, Mr. Speaker, that these people have yet to understand fully the problem with regard to insurance in farm areas. This scheme is not only important in western Canada; it is needed in all parts of the country. The other evening the hon. member for Argenteuil-Deux-Montagnes (Mr. Drouin) made quite a point of this, and I suggest to the members of the government that they take a serious look at the matter and make sure that they come up with an adequate scheme.

(Translation):

Mr. Speaker, during the debate of these last few days, we heard the leaders and members of the opposition in masterly speeches make crushing charges against the Conservative party which formed this government.

The replies we heard were only a repetition of the same old stories which are quite inconsistent and might make us believe that, like the old Bourbons, the Conservatives never forgot anything, though they also never learned anything. I can hardly believe that some hon. members opposite would not be disappointed with their leader's attitude.

After such a disappointment, after having built up the thesis that the Conservative party and its leaders are above criticism and also above the average human being, some among them must agree with me that those leaders only deserve to be sent back before the people to receive at last the final verdict.

(Text):

Mr. Malcolm MacInnis (Cape Breton South): Mr. Speaker, it is an honour for me to have the opportunity to participate in this traditional debate as the representative of the constituents of Cape Breton South. Canada today, Mr. Speaker, is going through perhaps the most crucial period in her history. We are faced with a variety of gigantic problems in this nation, brought about as a result of the rapid changes taking place domestically, internationally, politically, socially and culturally. Unfortunately the minority Conservative government that faces us in this house today is not adequate to face the challenge posed by these problems. This is a traditionally conservative group of men who refuse to accept the fact of change and to make the adjustments necessitated by change.

The other evening the Minister of Finance in a burst of optimism hinted to the members of the house that he and his colleagues were looking forward with some degree of enthusiasm to the next federal election. We would caution the government members against such displays of overconfidence, and remind them

of their recent stand in the last election campaign when they told the people of Canada that they were prepared to stand on their record. Surely this was a statement that represented the height of presumption, for their record since 1957 has been one of indecision, incompetence and confusion. The government, Mr. Speaker, to put it mildly has given us the most fumbling, the most bumbling and the most grumbling ministry since the days of confederation. Though the government stood on its record, fortunately the people of Canada refused to stand for that record.

I am afraid we have to admit that on the basis of the speech from the throne there is no indication that the government is now prepared to change its attitude and its policies with respect to the important and pressing problems facing us.

They have indicated their intention, for example, to pursue a balanced budget. Surely in view of the domestic situation in this nation this is precisely the wrong policy to follow at this time. What does it mean? It means that we have to look to the private investment sector in this country for the expansionary movement that is necessary to increase the employment opportunities that are available. But I am afraid the private investment sector of the Canadian economy cannot save the day. It cannot provide the spark and the initiative that are needed to provide additional employment opportunities for our people and to provide them with the income to buy the products that the private sector of the economy is at present capable of producing. It is precisely as a result of the fact that the private sector of our economy is overexpanded, in so far as its capacity to produce is concerned, that we have to look to a new field for the necessary initiative to provide economic growth.

I suggest to the members of the house that there is only one other such field, and that is the field of public investment. If we are going to pursue a balanced budget this necessarily means, as the government have indicated, that they are going to cut back their expenditures and we are not going to get the push that we require in the public sector of the economy.

I should also like to contrast at this time what we might term the energetic attention on the part of the government to the economic implications for Canada of Britain's proposed entry into the common market, on the one hand, with their lack of concern for, and attention to, and energetic attack on the domestic problems of too slow a rate of economic growth and unemployment in this nation of Canada. I say that we should contrast the difference in their approach, because on the basis of the economic analysis provided by Drs. Ruben and Kaliski it is estimated that if Britain enters the common market, the cost to Canada in the form of higher tariffs on the products which we will be exporting to the members of the European economic community will run us somewhere in the vicinity of $225 million a year.

This is serious, Mr. Speaker, and certainly deserves our attention. It certainly deserves a different kind of attention than the government has been giving it. But, on the other hand, if we compare the average unemployment that we had in Canada during 1960 and 1961, namely 7 per cent, with the average unemployment rate from 1954 to 1957 of 4½ per cent, it is estimated that the cost to Canada, as a result of these domestic problems of lack of economic growth and unemployment, in the form of the loss in our gross national product runs somewhere between $2½ billion and $3 billion. Surely there is evidence in these statistics to suggest we could expect the same type of energetic concern on the part of this government with regard to the problems of unemployment.

I wish now, for a few moments, to turn to one aspect of the throne speech which particularly concerns the people of our area; that is the proposed Atlantic development board. This is not the first time, Mr. Speaker, that such a board has been proposed to our people. We have heard such rumours since the days of confederation, and more recently in the election campaigns of 1957 and 1958 by the Conservative party. We not only were promised an Atlantic development board, but we were promised a national fuel policy. We were promised that nobody would suffer from unemployment. We were promised that Canada was going to be brought into a new era of prosperity in which the people of the Atlantic provinces would share for the first time.

No part of Canada, Mr. Speaker, has so consistently supported the old line parties as have the people of the Atlantic provinces, and look at our situation today. The Atlantic provinces of Canada constitute the most retarded, the most depressed region in this nation. I suggest to you that the governments of the past have either lacked the necessary courage or the know-how to adequately solve the problems that have faced us in that part of the country. Whether it was lack of courage or lack of know-how, in either case their failure is inexcusable.

The problems facing the Atlantic provinces are not something that developed overnight. This is not the first occasion upon which we have felt it necessary to speak up about our problems. The politicians and statesmen we had in the province of Nova Scotia and the

other maritime provinces in 1867 expressed their concern at this union with Upper Canada. If I may be so bold I should like to quote a statement which appeared in the morning *Chronicle* in our province on December 18, 1865. I think this very neatly sums up our economic situation at that point in our history:

> Our province is prosperous beyond example... We are in the full tide of prosperity under the lowest tariff in America.

Consider for a few moments, Mr. Speaker, if you will the problems that face the people of my own constituency of Cape Breton South. We have been plagued now for years with a declining coal industry. Granted, we have closed dozens of mines, but when this government came to power they told us they were going to do something about the problems facing our coal industry. We had a royal commission under Mr. Justice Ivan Rand appointed to investigate the situation. Not only have this government failed to come up with a long term policy to deal with the problems of the coal industry in Nova Scotia, but they have even refused to accept the minimum recommendations of this particular commissioner. He suggested, for example, to the people of Canada that it might be necessary to close three mines in Cape Breton over a five year period and a fourth mine over an additional five year period, for a total of four mine closures in ten years.

What has been the result? With the most recent closure of No. 16 colliery at New Waterford under this Conservative government that promised us a national fuel policy, we have closed three mines in a little over one year. We are threatened with an end of the steel industry on which we depend to a great extent in the province of Nova Scotia. Last winter our people experienced unemployment at the rate of 25 per cent. We will be the first to admit that we have received assistance from this and other federal governments, but the assistance has always been of a temporary, of a stopgap, of an emergency, of a meet each crisis as it comes along, nature. There has been no progress under this Conservative government since 1957 toward a permanent solution of the economic problems of the coal industry in Nova Scotia or the Atlantic provinces in general.

The Minister of Finance, at the time of the closing of No. 16 colliery in New Waterford, in a press release stated that in the opinion of the government it was in the best interests of the Nova Scotia coal industry to close No. 16 colliery. Well, Mr. Speaker, surely this is a fantastic statement. We ask simply, how can a responsible minister of the crown tell us what is in our best interest when he does not have any kind of policy to deal with this particular problem?

It is regrettable, but I think it is also necessary, that we remind members of this house that the right hon. Prime Minister came to our constituency during the last election campaign and he told responsible representatives of the miners, the district executive of the united mine workers of America, that he was not going to turn his back on the miners. The mine eventually closed, and the Prime Minister not only turned his back on the miners but he refused to meet them to discuss the repercussions of this closure. Under no circumstances, should No. 16 colliery have been allowed to close until a definite policy had been established for the coal industry in Nova Scotia and for the Atlantic provinces' economy in general. There has been evidence, and it is unfortunate, of a disturbing lack of planning and decision making, as well as a complete lack of the application of any kind of social philosophy in the present federal government's handling of this situation.

A few moments ago I said that our region was the most retarded in Canada. Thirteen of the 36 surplus manpower areas in Canada are to be found in the Atlantic provinces. We have 10.4 per cent of the population of Canada but only 7.2 per cent of her income. Our average per capita personal income for 1961 was $1,066 as opposed to $1,593 for all Canada. We have experienced consistently higher unemployment than has Canada as a whole. The present situation is further aggravated, though somewhat disguised, as a result of the considerable underemployment in our primary industries. In other words, if I might sum up the situation in the Atlantic provinces, the only prosperity that we have had in that region of Canada since confederation was witnessed during the railroad construction boom prior to the first world war and during both world wars. Certainly these are events to which we cannot look forward in the future with a great deal of anticipation.

(Translation):

May I now say a few words in French, Mr. Speaker, for there are quite a number of French speaking citizens not only in my riding, but throughout the maritime provinces. Moreover, the claims of eastern Canadians are rather similar to those of the people in Quebec. We too find that our confederation is still far from perfect.

In the past, the Atlantic provinces received temporary federal aid. It was a stopgap policy, a policy of emergency measures. What we want today is planned economic rehabilitation.

In order to succeed, such a program should be quite exceptional and more far reaching than ever before.

There is no other way of solving the basic economic problems which the Atlantic provinces have been facing for quite a few generations.

I trust that the Canadian people would be ready to support, morally as well as financially, any development program for the economy of the Atlantic provinces, because they would understand that this is the only way of solving a problem as old as confederation.

I want to stress that the time has come to develop and fully use the valuable human and natural resources of our eastern provinces. Such a program is of national as well as of local interest.

(Text):

In such an environment as this comprehensive program of economic development would bring about, existing industries could be induced to expand and new industries would be attracted into our area. On the basis of the many research projects carried out in relation to the economy of the Atlantic provinces it is generally agreed that resource development, although a basis for future economic development of that economy, will not really be able to relieve the twin problems of unemployment and underemployment. Therefore consideration needs to be given to that combination of capital, transportation and taxation incentive required to bring about new secondary industrial growth in the Atlantic provinces.

We do not need an Atlantic provinces development board to make suggestions as to what should be done. We have the research behind us. We have had enough study; now we want action. There are all kinds of proposals and suggestions backed up by research.

1. First we suggest that the basic development of our iron, coal and steel industries should be protected. In this regard the federal government should co-operate with the province of Nova Scotia in providing a crash program of retraining, and other special educational programs, for displaced miners and unemployed people. It should also consider the extension of unemployment insurance benefits, or the payment of some realistic allowances, to enable our unemployed people to take advantage of these courses and at the same time look after the commitments they have to their dependents. We suggest that the existing markets for our coal in the provinces of Nova Scotia and Ontario must continue to be protected from imported oil and American coal.

2. In co-operation with the provincial and municipal governments we suggest that a major program of capital construction be undertaken, including such socially desirable and useful projects as schools, hospitals, mental institutions, senior citizens' housing and so on, and that it be undertaken immediately in order at least to bring the level of unemployment in the Atlantic provinces down to the national level.

3. In the long view we look for a single and particular department in the federal government whose sole responsibility, so long as the need exists, will be to look after and direct action in regard to the economic problems facing us in the Atlantic provinces. We suggest that such a department could speed up more comprehensive research into the future of our coal industry, and also could consider the development of a national fuel policy.

4. We require special income tax concessions and special depreciation allowances from the federal government for industries presently operating and new industries desiring to locate in our area, which industries necessarily depend on the central, major Canadian markets for the sale of their products.

5. We require a major revision of the national freight rate structure to end the present pattern and reduce the wide differences now prevailing between charges for the movement of high value, processed and semi-processed commodities, and the charges for low value primary products.

6. We require low rate capital loans for the expansion of industries now operating in the Atlantic provinces and for the establishment of new industries desiring to locate in those provinces.

7. We ask for a greater regional allocation of defence and public works contracts for publicly financed undertakings.

8. We ask for increased attention to be paid by the federal government in future tariff negotiations with regard to the problems of the retarded regions of Canada.

9. We ask for the establishment of a social fund and an investment bank to help industries and areas adjust to the changes that will necessarily follow from what I hope will be our more liberal trade policies.

These are not radical or new suggestions. They are already in practice in the nations forming the European economic community and have recently been adopted by the President of the United States in his new tariff legislation.

10. We ask for an expanded and intensive program of technical and trades retraining for our adult workers, with a view to developing a more highly skilled labour force in the Atlantic provinces.

11. We ask for more flexible monetary and fiscal policies on the part of the central government.

12. We ask the co-operation of those responsible for the development of new manufacturing centres, and the co-operation of Central Mortgage and Housing Corporation in the provision of living accommodation in areas specified for development.

13. We ask for a return to the system of federal-provincial fiscal arrangements that had been established for the greater rationalization and equalization of the Canadian fiscal system, based as it was on the average per capita yield in the two richest provinces.

14. Finally we ask that university grants be based on need rather than on population figures, as they are presently allocated.

There are those who would question these particular suggestions. There are those who would say, "Don't you understand these are uneconomic proposals you are making?" In reply, Mr. Speaker, I would say that it is not a question of immutable, irrefutable economic principles. We defied the laws of economics when we built this nation, when we decided to enter into confederation, and surely there is sufficient argument for overlooking some economic principles in view of the particular difficulties of this part of Canada.

There are those who will argue that this policy we advocate is far too protective, but in reply we can point to the protection we are already giving to major industries in the provinces of Ontario and Quebec. For example, we can ask hon. members to consider what would be the attitude of the United States government if it were faced with a declining industry, such as our coal industry, when 98 per cent of the market for bituminous coal in the province of Ontario is supplied by the United States.

Mr. Deputy Speaker: It being one o'clock I do now leave the chair.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. MacInnis: Mr. Speaker, prior to the noon recess I was dealing with the various arguments or charges that might be laid against or put forward in opposition to the comprehensive and specific measures which I had introduced to the house and in which we believe, in the Atlantic provinces, in so far as the economic problems of this region of Canada are concerned. Specifically I was dealing with the second such possible objection, namely that the policies which we propose are perhaps too protective in this day and age.

In addition to what I have already said with regard to this particular criticism, I would simply like to point out that it is essential, in relation to the coal industry of Nova Scotia, that this government or any other federal government provide our coal industry with sufficient financial assistance to make coal competitive with foreign oil in the province of Nova Scotia, to assure that coal will be used as the basic fuel in generating thermal power in that province. If this is not done, then surely we cannot expect the Ontario market to use coal from Nova Scotia, if we are not successful in ensuring that our own local industries do the same.

Third, Mr. Speaker, it might be suggested that these proposals would all be very well and would probably help our situation substantially, but they cost too much money. We say, first of all, that in measuring the cost of the proposals that are necessary in order to deal firmly and finally with the economic rehabilitation of the Atlantic provinces, we must consider the eventual and ultimate social costs involved in the Atlantic provinces if action is not taken today.

Then, Mr. Speaker, we would point to the fact that Canada has already, spent huge sums of money to build her canals and transcontinental railway system, to provide wheat storage for the western farmers, acreage payments, and so on. We would further point out that the tariff system presently operating in Canada, protecting and insuring the life of our central Canadian industries, costs the Canadian taxpayer indirectly, it is estimated, something in the vicinity of $1 billion a year. These same tariff policies have a doubly depressing effect on the producers and consumers in the Atlantic provinces, because they mean our people must buy their products from the high cost, non-competitive industries of central Ontario while these same protected industries are enabled to turn around and buy their raw materials across the border because they can obtain them there more cheaply. This represents double protection for a large part of our Canadian industry.

Fourth, Mr. Speaker, it might be suggested that we are perhaps somewhat naïve down in the eastern part of Canada. It might be said, for example, "Well, after all, you decided in 1867 to participate in confederation, and this is the economic price you have to pay for it". We say, no. We say that

the fathers of confederation recognized the economic implications for that part of Canada when confederation took place, and they wisely and justly attempted to provide for the dislocations that were bound to take place as a result of the national development policies adopted in this House of Commons.

Finally, Mr. Speaker, there are those who would say, "well, your program sounds very good; we would like to help you, but this represents state planning". In other words we come back to the old bogeyman that the Tories raised in the last campaign; it is a question of free enterprise versus socialism. This is nonsense, Mr. Speaker. These are the word fighters; these are the labellers who try to criticize and discredit a new idea by labelling it with a name that is unacceptable to the Canadian people. It is not a question of free enterprise versus socialism. It is a question of the old way versus the new way. It is a question of the principles which at one time apparently were successful in Canada, to some extent, as opposed to the new procedures and methods that we must adopt for the future.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member, but his time has expired.

Mr. H. E. Smith (Simcoe North): Mr. Speaker, upon rising to take part in this debate it is with genuine pleasure that I give you, and through you to Mr. Speaker, my best wishes. It is indeed a pleasure to see two old friends filling such high offices so capably. At this time I would also like to congratulate the hon. member for Waterloo South and the hon. member for Nicolet-Yamaska on the capable way in which they moved and seconded the address in reply to the speech from the throne.

Last Friday night in that sometimes dramatic C.B.C. television show "Viewpoint" the star of the night said that too many of the speeches in the debates on the speech from the throne were nothing but dreary recitations of the virtues of some backwoods constituency. I think it is well that those who spend a great deal of their time in Ottawa—perhaps too much of their time—should hear from time to time of the virtues, the problems and the wishes of these constituencies. I say this because the strength of Canada is nothing more than the aggregate of the strength of those 265 constituencies. A visit to my riding last week end supported and confirmed the wisdom of the course the official opposition are taking to make sure they do not win any of those non-confidence votes they have been bringing with such regularity.

To preface my remarks in this debate, and in order only to demonstrate the interests of my constituents, I should like to discuss briefly the economy of my riding of Simcoe North. I think every hon. member who sat in the last parliament is well aware that Collingwood is the largest and most important shipbuilding centre on the great lakes. The policies of the Conservative government in the last five years have brought Collingwood to the highest level of activity in its history even higher than during wartime, because shipbuilding is an industry highly productive of jobs. There are few things which the Canadian government could have done to provide more jobs for Canadians than to introduce the system of subsidies for shipyards, and in case anyone should think that only the larger centres have benefited from this policy, let me tell them that is not so. Shipyards large and small across Canada have benefited from our shipbuilding policies.

Along with the shipbuilders and sailors of my riding I look forward to the realization of the promise in the speech from the throne of added protection for Canadian shipping on the great lakes. If we permit foreign ships to carry our cargoes it constitutes just as large a drain on our foreign exchange fund as, for example, the purchase of imported electrical appliances.

I am sorry the hon. member for Davenport is not here in his place, because harsh things have been said by him and to him during this debate. I should like to thank him for the assistance he gave me during my election campaign, when he made something of an issue of the fact that the devaluation policies of the Conservative government were causing an increase in the price of imported electrical appliances. Now in the city of Barrie, in my riding, there is to be found the largest manufacturer of small household appliances in Canada. There are many other factories there making a wide range of household and consumer goods from tires and plastics to tape measures and cosmetics. I can assure this house that the message of the hon. member for Davenport was not lost on those people when election day came around.

It is interesting to see, now, that the hon. member has finally and firmly come down on the side of the angels, and on the side of the Conservatives; because in the last issue of that journal of Liberal opinion the Fundy *Fisherman* he says that devaluation is a good and necessary thing. I should also like to note that though the majority of our factories are Canadian subsidiaries of United States companies, almost without exception the local management is completely Canadian in viewpoint and directed to the best interests of Canada.

The farmlands of Simcoe county are rich and productive. Indeed, they too might be said to be secondary manufacturers, because much of their products find their way directly

to the consumer. Pork is processed through Canada's first and largest farmer owned packing plant, with its famous Copaco brand products; finished beef is sent to the Toronto stockyards; tobacco is sold in reasonable quantities on the home market; milk goes to Toronto consumers and cream to the many county creameries; fruit and vegetables go directly to the consumer or else to Collingwood to be packed for domestic or export use.

At this point I should like also to extend my thanks to the Leader of the Opposition for the help he gave me in my election campaign. The hon. gentleman appeared on a Toronto television station cradling a Georgia watermelon and deploring in solicitous terms the fact that as a result of devaluation the price of Georgia watermelons had increased. This brought vividly home to the growers of the famous Georgian bay apples the benefits of the Conservative devaluation policy to the sale of their product.

Many people in my riding earn their livelihood in service businesses as railroaders, truckers, civil servants working in Camp Borden, caterers to the various branches of the tourist industry and so on. In short, they are engaged in all the multitude of services which make up our complex and prosperous society. The number of unemployed is low and is confined mostly to the unskilled, the unadaptable and, at certain times, to some categories of workers in the construction trades. In the factories generally there is a shortage of skilled operators, and in some factories production is being hampered as a result. The government is to be commended on its technical school building program, and I am sure that proper use is made of the schools, two of which are now under construction at Collingwood and Barrie. In Simcoe North, the graduates of those schools will contribute greatly to the productivity of Canadian industry.

I do not propose at this time to deal with service businesses, because their prosperity and level of activity depend entirely on the prosperity of the productive parts of our economy, our farms, factories and shipyards. However, I should like to point out in passing that a gratifying number of small businesses have been able to take advantage of the small business loans made available through Conservative legislation a year or two ago. Conservative policies have been good for the economy of Simcoe North. The farm credit corporation, as far as our farmers are concerned, represents the finest piece of credit legislation ever passed in Canada. In the course of the past year, or a little longer, over 100 farmers have taken advantage of these loans in our area. Their farms are now efficient and competitive. They are making money. Farm credit corporation loans are keeping farmers' sons on the farms, and for the first time in many years are even bringing some back from the cities. Conservative tariff policies protect our fruit and vegetable growers. No longer are producers in Simcoe county at the mercy of United States dumping as was the case so often, particularly with cherries, asparagus and potatoes.

Conservative policies have contributed to the stability of beef and hog markets. Conservative policies have assisted in the orderly marketing of tobacco. Indeed, I wonder if the tobacco farmers in other parts of Ontario realize that the true worth of the guarantees made available to them at the end of the 1961-62 tobacco market was far in excess of the actual value of the guarantee. I am sure it is unnecessary to remind the hon. member for Norfolk (Mr. Roxburgh), who this morning was asking a question about export sales of tobacco, that Canada's tobacco farming industry, an industry highly productive of jobs and requiring many man hours of labour, developed under the protection of a substantial tariff. It is an industry whose export future might well be adversely affected by Britain's entry into the common market, or by the United States trade bill.

Sometimes one hears criticism of the government consumer subsidy on butter. I would just make this observation. Many of our smaller farms are still very marginal operations. It would not take too much to drive these farmers from their land, and very often at an age when they are not adaptable to an industrial society. Surely the butter subsidy, when looked at in this light, is not such an ogre as it is sometimes made to appear.

But the greatest boon to Canadian agriculture and to factory productivity has been the reduction in the external value of the Canadian dollar to 92½ cents U.S. Its value to the farmers, factories and factory workers cannot be exaggerated. Beef and pork are finding new markets and are more competitive in the U.S. Our fruit and vegetables are given additional protection in Canada, and our canned fruits and vegetables are finding foreign markets. Cherry pie filling, for example, grown and canned in my riding is now being sold in Germany. For those who worry about the infinitely small increase in the price of imported grapefruit, I suggest that they try Georgian bay apple juice. If the beef you buy costs you just a little more, then think of the jobs and spending power which is being provided for Canadians by the increased exports of beef and pork.

Conservative government policies have been good for the factories and the factory workers in Simcoe county. Yesterday the hon. member

for Vancouver South quoted some export statistics, and the hon. member who has just finished speaking had some statistics concerning the cost of protection to Canada and the Canadian consumer. I do not think it is correct to use statistics in this way, because exports and imports must be considered not only in their dollar value, but must be considered in relation to the production of jobs for Canadians. Because I think that is the aim of all policies; it is not the ultimate dollar sales value or the dollars that we import, but the jobs we provide. Also, I feel that the primary and extractive industries no longer provide the best or the most jobs. These are found, in my opinion, in the secondary and service industries; and of course, as I said before, the service industries depend entirely on the productive industries.

A recitation of the policies applied by our government through the industrial development bank would exhaust my time. Factories employing from two to 200 in my riding have benefited. The aggressive sales policies of the Minister of Trade and Commerce have been used to the fullest. Our factories take every opportunity given to them to explore and get into foreign markets. Indeed, the Minister of Trade and Commerce and the Minister of Transport have the stature of heroes in Simcoe county. Devaluation has provided incentive, protection and job opportunities for the workers. I am sure the hon. member for Davenport, who is so interested in imported electrical appliances, could find all his needs satisfied from the catalogues of Barrie's appliance industries.

Mr. Speaker, the competitive need to find Canadian material resulting from devaluation has been a challenge that our factories are meeting with zest and initiative. New machines are being installed as fast as people can be found to operate them. I will just mention one example. Hardwood flour is a product which I understand is very little else than hardwood sawdust ground very fine and very dry. It is used extensively in the manufacture of certain plastic products, and until now it has been imported into Ontario from Buffalo. Very shortly it will be manufactured and sold in Barrie.

The factories and factory workers in Simcoe county look forward to the tax incentives now proposed for increased production and export, and they will use these incentives to the fullest to increase production and to provide more jobs. They look forward to the change in our export credit legislation as an essential aid to the products which Canada must export if it is to continue to grow.

In the modern world changes in political, economic and trade alignments are inevitable and continuous. In Simcoe North we have watched the evolution of the European free trade area, called the European common market. Britain's application to join it and its possible effect upon the commonwealth, upon Canada, and upon Simcoe county we have watched with interest. It may be that the European free trade area is best for Europe, and it may be that it is best for Britain. I think that is for the Europeans and the British to decide. I do not think, though, that it is being parochial or narrow to say that our consideration should be directed to what is good for Canada; because it is only by being prosperous that Canada can make an effective contribution to the free world and to the vast underdeveloped and under privileged areas of the world. If the European common market develops on its present lines—and I think at this time it would be only wishful thinking to suggest that its world outlook will be toward freer world trade—Canada, a country of 18 million people, will lie between two great western trading blocs, the United States with 180 million or more and western Europe with 175 million. It is now that we must speak out and bargain for our essential needs.

Much of Canada's secondary industry was established by the United States to avoid the tariff differential between the British preferential tariff and the most favoured nation tariff, the most favoured nation tariff generally being higher than the British preferential. Many of the Canadian branches of United States factories have been built in Canada to fill, in addition to Canada's domestic requirements, the import needs of Britain, the commonwealth and other countries. It would now appear that the British preferential tariff must disappear if Britain is to enter the E.C.M. United States manufactures would then enter Canada at the same duty rates as British.

Canada's labour costs have gradually grown closer and closer to those of the United States. We in Canada have a high level of social security which is translated into high taxes and directly into production costs. The smaller Canadian market makes other costs higher. Many United States plants near our borders, with subsidiaries presently in Canada, could satisfy the entire Canadian market for some products with only a few extra shifts in their home factories. If the British preferential tariff disappears, is the devaluation of the dollar by itself going to be enough to keep our secondary industry healthy? What incentives will be left for such Canadian development? Are these companies now going to build their factories in Europe and elsewhere? Must we not now look more and more to other parts of the world for markets for the products of our factories? Will the European common

market leave us as hewers of wood and diggers of ore? These are some of my reservations concerning these new trade developments. I think they are important, because it is only in the secondary and the service industries that we can supply the needs of our new job seekers and maintain our high material standard of living.

Mr. Speaker, there is much else in the speech from the throne that commends itself to me and to my constituents, but I have limited myself today to those matters of most immediate interest to Simcoe county.

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, as I rise to take part in this debate in reply to the speech from the throne in the first session of the twenty fifth parliament and begin to apply myself to the discharge of my duties, I should like to express my congratulations to you for having been chosen by the members of this house to be their Speaker. I should also like to congratulate Mr. Deputy Speaker for the confidence that this house has shown in his ability to assist Mr. Speaker. I should like in addition to congratulate the mover and seconder of the address in reply to the speech from the throne.

I am aware that on this occasion it is the custom for members to reveal some of the interesting features of their constituencies and the needs of their constituents. In the case of my constituency, Parkdale, which is in the western sector of Toronto, I believe these are well known to the older members of the house through the efforts of the illustrious members for that constituency who have preceded me.

To the new members I should like to say that Parkdale is a fair cross section of Canada. In addition to the Anglo Saxons, virtually all nationalities and colours are represented. In the same way as many of our forefathers, some emigrated to this country seeking a better life; some sought adventure, and some came to this country to enjoy our freedom. Having come to this country in large numbers, for the most part under the wise immigration policies of past Liberal administrations, these people have found freedom and a better life. Today they cling very closely to this freedom and better life, and burn with an abiding desire to assist the enslaved peoples in their homelands during their present adversity. It is this devotion to self government and to freedom, exemplified by so many people in my constituency, which in my opinion is the foundation upon which our future hopes for a greater Canada can be built.

Since it is the duty of members of the loyal opposition to oppose, I cannot see how one can have effective opposition without constructive criticism. Yet we have read in the press and heard from many members of the government that political criticism is an ugly word. In that regard I refer to the Minister of Trade and Commerce, who recently made the appalling statement that it is unpatriotic to criticize the government. Before we realize it, Mr. Speaker, political criticism may unfortunately be regarded as an un-Canadian activity instead of democracy's greatest safeguard. Nowhere in the world more ardently than in communist Russia and her subjugated countries is the critic considered unpatriotic, a conspirator and one even deserving of death, but in western civilization the traditional attitude is that criticism is an attempt to test whether what is might not be better. Personally I believe that no reform can be achieved and no survival is possible without the freedom of honest and vigorous criticism.

No manipulation of words, Mr. Speaker, no twisted ideas or faulty memories on the part of hon. members opposite can alter the historic fact that when the present Conservative government took office in June, 1957 it did so as the government of a country whose prosperity was never higher, whose prospects were never brighter and whose prestige among the nations of the world was never so great. In the past five years increased taxes, economic stagnation, high levels of unemployment and loss of international prestige have plagued this country. No one with a sense of fairness, therefore, can honestly argue that the present government through its incompetence and ill-timed policies is not responsible for the chaotic condition of the affairs of this country. In view of the present serious and emergency conditions in Canada, it is the right and the duty of all members of the house effectively to criticize the present government so that alternative and remedial measures will be proposed, the remedial measures so eloquently and wisely proposed by the Leader of the Opposition in this house.

I regret to say that the speech from the throne was a complete disappointment to the people of this country. This has been stated many times by the majority of the speakers who have preceded me. As already described, it is filled with many pious platitudes and is not much more than a rehash of things mentioned in previous speeches from the throne. This government had five years and the largest majority in the history of the House of Commons to bring those measures into being, but still the government continues to fail to put forth clear reasons for the cause of the present economic difficulties, and to reveal definite major policies which are aimed to cure this sick economy.

The seriousness of the situation was cleverly played down in the speech from the throne. Burning matters concerning which the government still owes our country an immediate and detailed explanation are absent from the speech from the throne. To solve the problems of chronic unemployment, slow economic growth and the imbalance of international payments the government has nothing substantial to offer.

In my leader's masterful exposition of the failures of the Conservative government the country has learned about the present administration's damaging mismanagement. This house and the country had the right to hear the Leader of the Opposition condemn the deliberate concealment by the government of the perilous financial state in which Canada found itself last spring. Moreover, all responsible members in the opposition appreciated learning in our leader's clear reply the full facts proving the unfair political manoeuvre committed by the Prime Minister and the former minister of finance last June. In his speech the Leader of the Opposition rebuked the thirteenth Prime Minister of Canada, and rightfully so, for contempt of parliament because it was not allowed to convene after the government failed to get a clear mandate from the people. Still worse, the people of Canada and their elected representatives continued to be shamefully ignored when the Prime Minister dared to attend the commonwealth prime ministers' conference in London, and to present his views and ignore ours. The Prime Minister's disgraceful exhibition of bellyaching in London demonstrated his ignorance of the importance of the European common market.

After all the gloom and doom and crying by the Prime Minister at the commonwealth conference, it was refreshing to hear Mr. J. A. Roberts, deputy minister of trade and commerce, tell the members of a Canadian organization in Vancouver last month that Britain's entry into the common market will be far from a disaster for Canada. He predicted that it would provide potential markets for Canadian goods. What a sharp contrast, Mr. Speaker, to the remarks of the spokesmen of this government who have failed to understand the long term implications for this country of the new overseas trade developments. The other major issue—

Mr. Sevigny: Would the hon. member permit a question?

Mr. Haidasz: Mr. Speaker, I will allow the minister to ask me a question after I have finished my speech. The other major issue which we must deal with in this debate is the government's austerity program brought in without the consent of parliament. Furthermore, Mr. Speaker, we are dismayed to learn from the speech from the throne that apparently these emergency austerity measures will continue to exist. We in the Liberal party condemn these austere policies and consider them to be a danger to Canadian growth.

The tariff surcharges are hampering trade and throwing men out of work. The cuts in many national public works are reducing construction jobs and throwing more people out of work. No wonder the unemployment figure this summer of 300,000 jobless Canadians is double that of June of 1957. The unemployment insurance fund, which in June, 1957 stood at $853 million, had fallen to $28 million last June. This is more evidence, Mr. Speaker, of the misery and suffering that the people of Canada must endure as a result of the mismanagement of the Conservative government.

Furthermore, the high interest rates allowed by this government brought in tight money. Tight money slows the expansion of Canadian industries and makes it very difficult for provincial and municipal governments to pay for projects of social improvement, throwing still more people out of work and increasing local taxes. The taxpayers of Parkdale, indeed across the country, burdened with continuously increasing taxes, including provincial sales taxes, are very hard pressed. The costs of education, the support of the indigent, caring for the sick, the clearing of slums, the building of roads and railway overpasses, I believe should be the sole responsibility of the federal government.

The home owner, in my opinion, has to carry the great load of the unjust burden of the present overtaxation. Repeatedly since early 1957 the Prime Minister of this country has stated that the Canadian people were overtaxed by $500 million, and promised to reduce taxes by $120 per family. In fact, Mr. Speaker, taxes have been increased by at least $36 per family since the Conservative government took office.

Mr. Churchill: Will the hon. member identify the quotation he gave? What newspaper was it in, or where?

Mr. Haidasz: In the impending tax reforms in this country I believe primary consideration should be given to easing the tax burden of the common working man.

I should also like to make a few remarks about the small businessmen, who are the backbone of our national business. Many small businessmen are hard pressed and headed for bankruptcy as a result of unfair competition from giant corporations, tight money and high

taxes. It is disquieting to learn that the number of commercial failures in Canada from June, 1957 to June, 1962, reached the enormous figure of 11,712. Furthermore, according to dominion bureau of statistics reports, for the first six months of this year there were 1,562 commercial failures, which is 7.8 per cent more than during the same period last year. This is another reason small businessmen urgently need in Canada not only tax relief but also more liberal consideration from the industrial development bank.

There is no doubt, Mr. Speaker, that the federal government's devaluation of the dollar has caused much hardship to the people of Canada, not only in rural but also in urban areas. The devalued dollar resulted in a higher cost of imports and, therefore, higher domestic prices. The savings of thrifty Canadians already lost will probably never be recovered. In June, 1957 the cost of living index was 121.6, which the Conservatives complained was high and which they promised to keep from rising. However, the cost of living index kept on rising and in August, 1962 reached the high figure of 131.4.

Mr. Bell (Saint John-Albert): It is down.

Mr. Haidasz: It is up ten points since June, 1957. Most disturbing is the fact that the greatest rise is in the essential category of food. This brings more hardship for all Canadians, especially to the jobless, to the people with low incomes and to the people who are subsisting on meagre pensions.

There are a few more burning issues which I should like to bring to the attention of the government during this debate. Last summer this government announced the deferment of pay increases for 50,000 civil servants, explaining that an increase in wages would be inconsistent with the government's austerity program. By this explanation the Conservative government unloaded some of its problems on the backs of a relatively small group of civil servants unable to fight back strongly. Our country, one of the richest lands on earth, should be able, with a competent government, to easily afford to pay its civil servants decent salaries.

Other categories of citizens who have been neglected by this government are those thrown out of jobs through automation, the sick, and our senior citizens. We on this side of the house welcome the proposal of the Leader of the Opposition to provide an improved retraining program for workers before, not after, losing their jobs. We are proud also that the Liberal party recognizes the urgency of extending family allowances from age 16 to age 21 for all boys and girls attending school.

We welcome too the other points in the Liberal program of social reform which, though it will cost money, will actually be an investment in this country. As explained by the Leader of the Opposition, under conditions of an expanding economy a Liberal government will provide for health care and adequate pensions, which are repeatedly being refused by the present government. In my varied experience as a practitioner of medicine amongst the working people and senior citizens of Toronto, I learned intimately of their needs. I am deeply concerned with the present inadequate health care and social welfare programs.

In order to refresh the memories of hon. members opposite I should like to state that every piece of social legislation on the statute books of Canada today was enacted by a Liberal government. After the economic depression of the 1930's and the crippling war expenditures of the early 1940's, the Liberal government was financially able to embark on a sound, progressive program of health legislation. Beginning in 1948 the national health program provided for hospital construction, medical technicians and public health research, as well as anti-tuberculosis drugs free of charge to patients in sanatoria, and many other items related to general health.

The second phase of the Liberal health plan, from 1955 to 1956, made available to the people of Canada more hospital additions, medical rehabilitation services, radiological services and free Salk vaccine. In April, 1957 the Liberal minister of health and welfare, now the hon. member for Essex East (Mr. Martin), steered through parliament the National Hospital Insurance and Diagnostic Services Act. This government is to be condemned for failing to implement all the sections of that act, especially the one relating to the cost of diagnostic tests performed on an out-patient basis, the most costly part of health care today. The blame rests mainly on the present minister of health for failing, in his negotiations with the provinces, to insist that the people of Canada receive the benefit of free diagnostic tests when referred to a hospital laboratory by their doctor.

I am proud, Mr. Speaker, of the fact that my party has always been, and still is, in the forefront in dealing with matters of health care. The Liberal health plan for the future will include progressive coverage of doctors' fees, dental care, nursing services, drug bills and sickness insurance, after full consultation with the provinces and with cooperation from the medical profession. This plan is more comprehensive and more realistic than the plan of any other party in this country.

While speaking on matters of health, Mr. Speaker, I must express my disappointment that the government has failed to explain why it discontinued the free mass immunization program against poliomyelitis with existing safe vaccines. Furthermore, we on this side of the house are still waiting for the government's explanation of the delay of three months in taking the drug thalidomide off the market. We sincerely hope that the government will take early action to improve its control not only over drugs but also over food additives and pesticides, for the greater protection of the Canadian people.

Advanced countries like Canada are facing a great challenge in the field of water and air pollution. Disease causing viruses and chemicals are finding their way into the water supplies of our cities. Many new chemical compounds, including pesticides and detergents, used by industry, farmers and housewives contain inert chemicals which cannot be destroyed by germs in the soil or by present sewage disposal techniques, but chemical engineers tell us it is possible to make a detergent that can be broken down by bacterial action. I would like to bring to the attention of the government the fact that west Germany has already passed a law compelling all manufacturers to abandon the use of hard detergents by 1965.

We also need more government assistance to aid municipalities in improving the purity of water; because disease causing viruses, including that of hepatitis, can pass through in water in present sewage treatment plants. These problems are both medical and political, and should be acted upon without delay by a responsible federal government.

In view of the remarks of the hon. members who have preceded me in this debate, and of the remarks I have added, I believe it is clear that in the speech from the throne the real and urgent needs of the Canadian people have been forgotten and the true condition of Canada's economy has not been revealed. Therefore the Conservative administration stands condemned.

Mr. Sevigny: May I ask the hon. member who has just resumed his seat to answer the following questions. Is he not aware that the gross national product is higher than it has ever been in the history of the country? Is he not aware that more people are employed today than ever before in the history of the nation?

Some hon. Members: Order.

Mr. Sevigny: Is he not aware—

Mr. Speaker: Order.

Mr. Badanai: This is a speech.

Mr. Speaker: Order. I put it to the minister that any questions which may be put to an hon. member who has the floor, or to one who has finished his speech, should be entirely for the purpose of seeking information and not engaging in a debate in a disguised form. I would also like to add it is the hon. member's privilege to answer or not.

Mr. Sevigny: Mr. Speaker, with great respect for what you have just said, may I point out that while you were not occupying the chair I got up and asked the hon. member, when he was telling the house something which I believed to be rather inaccurate—

Some hon. Members: Order.

Mr. Habel: You spoke in the debate already.

Mr. Sevigny: May I speak to the point of order.

Mr. Speaker: I am not disputing the minister's right to ask a question, but what I am referring to is the nature of the question which he was putting.

Mr. Haidasz: Mr. Speaker, I think it was made very clear in my speech, and in the speeches of hon. members who preceded me, that even though the gross national product has gone up it has not gone up at the same rate as it did when the Liberal government was in office.

Mr. Martin (Essex East): In real terms.

Mr. Harkness: It went up at a faster rate.

Mr. Martin (Essex East): No, it did not, in real terms.

Mr. Speaker: In view of the fact that the question was in an argumentative form, that it has not brought forward information, and is now merely continuing a debate after the hon. member had resumed his seat, I think we shall leave it at that.

Mr. J. A. McGrath (St. John's East): Mr. Speaker, my first duty is to join with the other hon. members who have participated in this debate in extending traditional words of congratulation to the mover and seconder of the address in reply to His Excellency's speech, the hon. member for Waterloo South and the hon. member for Nicolet-Yamaska. I would also like to join the hon. members who have preceded me in expressing to you, sir, our great pleasure at your elevation and appointment to the highest office of parliament, and to wish you well in the discharge of your very onerous responsibilities as Speaker of this house.

I would be remiss if I did not refer to the speech made by the hon. member for Parkdale (Mr. Haidasz), who has just taken his seat after making his maiden speech. All I want to say is that he must have leaned quite

heavily upon that fund of questionable knowledge of the hon. member for Essex East (Mr. Martin), for some of his facts. His speech contained erroneous statements and inaccuracies, but I am sure they were not deliberate.

He referred to the implementation of the Hospital Insurance and Diagnostic Services Act by the previous Liberal administration in 1957. However, he forgot to say that this followed over four decades of Liberal promises. He further forgot to add that it took a Conservative government, as in so many other areas, to implement that legislation.

Mr. Martin (Essex East): Wholly inaccurate.

Mr. McGrath: I would commend to the hon. member for Parkdale the speeches made in this house and in other parts of the country by his illustrious predecessor. I refer to that distinguished Canadian Mr. Arthur Maloney, Q.C., whose reputation is known the length and breadth of this country. It is a reputation for honesty, fairness and, above all, accuracy.

I should like to refer to the maiden speech made by the hon. member for St. John's West (Mr. Cashin), who regrettably is not in the house today. I would like to deal at length with some of the remarks he made, but I shall let that wait for another occasion as I understand the hon. gentleman had to return to his home due to an illness in his family. But, Mr. Speaker, what can be said of that speech is that one could mark it quite highly for eloquence, but I am afraid it would get a zero for content. It contained practically nothing, and I suspect the hon. member for Bonavista-Twillingate (Mr. Pickersgill) had a hand in it. In any event I would also commend to the hon. gentleman who occupies the seat for St. John's West the brilliant speeches of his predecessor in this house, Hon. W. J. Browne.

I would also say to that hon. gentleman, were he here, that if I were in his place I would weigh my words very carefully, because he may not hold that seat for much longer; and, Mr. Speaker, I am referring to events that are taking place in another part of Canada at the present time.

Mr. Martin (Essex East): Mr. Speaker, may I ask a question? Does my hon. friend think—

Some hon. Members: No.

Mr. McGrath: No. The hon. member for Essex East—

Mr. Martin (Essex East): On a point of order, Mr. Speaker—

Some hon. Members: No.

Mr. Martin (Essex East): On a point of order—

[Mr. McGrath.]

Mr. Harkness: There is no question of a point of order; you know that.

Mr. Speaker: Order. The hon. member for Essex East is raising a point of order.

Mr. Martin (Essex East): I am sure my hon. friend would not want to discuss something that is now before the courts, and I greatly suspect that the observation thus far made is one that traverses that well known and established practice.

Mr. Speaker: While I recognize the fact that the hon. member has raised a point of order, he himself has put a title to certain events. He is the one who selected certain events. From what the hon. member for St. John's East was saying, there are many events taking place in Canada.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): On the point of order—

Mr. McGrath: Of course, Mr. Speaker—

Mr. Martin (Essex East): On the point of order, Your Honour could not have been listening to what the hon. member said, referring to certain proceedings in Newfoundland.

Some hon. Members: No, no.

Mr. Martin (Essex East): I had used the word "event"—

Mr. Speaker: Order.

Mr. Martin (Essex East): If I may—

Mr. Speaker: I think the hon. member for Essex East is now engaging in what he heard and what the Speaker heard. I feel that under the circumstances the hon. member for St. John's East was not deliberately making reference to any court proceedings or to any other proceedings to which it would be improper for this house to refer. I think the hon. member made a general statement. The only particularized statement I heard was one made by the hon. member for Essex East. I think we will leave it at that.

Mr. Martin (Essex East): Your Honour was not listening.

Mr. McGrath: Mr. Speaker, may I say this —and I accept your ruling, of course—that the hon. gentleman, the distinguished member for Essex East is obviously as eminent in law as he is in statistics.

Mr. Harkness: Too bad for his clients.

Mr. McGrath: I was referring to the former member for St. John's West, that distinguished gentleman the Hon. W. J. Browne, a man whose career in the public service of this country stretches over 40 years; a man who

has served in this house in three parliaments, 1949 to 1953; 1957 and 1958; 1958 to 1962; who also served with distinction in the legislature of the province of Newfoundland. Hon. gentlemen in this house who are familiar with the great speeches this man made, hon. gentlemen in this house who are familiar with his record, will no doubt be pleased to hear what some of the peddlers of slander, libel and calumny, some of the colleagues of the hon. gentlemen opposite, had to say about this man in the last election campaign.

I have in my hand a tabloid. I think you could refer to it as the essence of yellow journalism. It is entitled "The Liberal". It was put out by the Liberal party in Newfoundland during the last election campaign and a copy was sent to every voter in the province, and even the hon. gentleman for Essex East would not want to have himself associated with some of the things contained in this paper.

Mr. Bell (Saint John-Albert): Even him?

Mr. Martin (Essex East): "Even he", you mean.

Mr. McGrath: On the last page, Mr. Speaker, there is a very familiar looking picture. I leave it to hon. gentlemen to identify it, because even at a distance it is obviously identifiable. Next to that picture is a story entitled "The communists' friend", and with the indulgence of the Chair I would like to quote a small part of that article. It says:

> All his life Mr. W. J. Browne was thought to be an enemy of communism and communists. He was always preaching against them—

And so on:

> What did he do when his government, headed by Mr. Diefenbaker, made business deals with those two communist countries?
>
> Did he resign from the government?
>
> No, he did not—

Mr. Speaker, the story then goes on to refer to Mr. Browne as a friend of the communists.

Some hon. Members: Shame.

Mr. McGrath: I ask you sir, has there ever been a greater example of libel or calumny in this house?

Some hon. Members: Yes.

Mr. McGrath: This is a man who has always stood up inside and outside this house against communism and everything that atheistic communism stands for. Mr. Speaker—

Mr. Harkness: Typical Liberal tactics.

Mr. McGrath: —I commend this piece of pseudo journalism to hon. gentlemen who have not read it—yes, to the hon. member for Essex East—because all you find in it are words such as "lies", "slander" and all sorts of other adjectives that hon. gentlemen opposite are only capable of at election time, and they are capable of some dandies.

Mr. Martin (Essex East): Why go after the member for Essex East all the time?

Mr. McGrath: Mr. Speaker—

An hon. Member: What about 1957?

Mr. McGrath: The Hon. W. J. Browne will not be long out of this house, and I would commend that to the new member for St. John's West.

Mr. Martin (Essex East): Order. Mr. Speaker, on a point of order, I hope Your Honour heard the remark that has just been made, which I say is absolutely improper in the light of the proceedings that are now under way in Newfoundland before the courts.

Mr. Speaker: Order. I have been following what the hon. member for St. John's East has been saying. I think that in the light of all we know about what is happening in Newfoundland, perhaps he should steer a careful course in his references to those proceedings. A passing reference may have been made on a previous occasion, and I think the hon. member would be wise to leave it at that.

Some hon. Members: Hear, hear.

Mr. McGrath: Mr. Speaker, I am very much aware of the nature of my remarks, bearing in mind that this matter could possibly be *sub judice*. For that very reason I was very careful in what I had to say. I did not refer to any specific event taking place in Canada today.

I would also like to say, before you, sir, pass this point of order, that I hope the Chair will take due note of the many interruptions of the hon. gentleman from Essex East and that I will be allowed additional time.

Mr. Martin (Essex East): Oh; put yourself in order; that is all you have to do.

Mr. McGrath: Mr. Speaker, during the campaign leading up to the general election on June 18 we saw at work in the province of Newfoundland a political machine unequalled on the continent of North America, a machine corrupt in every respect—

Some hon. Members: Oh, oh.

Mr. McGrath: —corrupt in every respect; and I commend these words to the hon. gentlemen who interrupt me right now, because there are certain hon. gentlemen on that side of the house who owe their seats to the machinations of this corrupt political machine that has imposed on the province of Newfoundland a totalitarian regime of a type never seen in Canada before.

Mr. Martin (Essex East): Mr. Speaker, on a point of order—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. The hon. member for Essex East is raising a point of order.

Mr. Martin (Essex East): Mr. Speaker, the hon. gentleman has made a very serious charge. He has said that certain hon. members in this house owe their position in this house and their tenure in this house to corrupt practices on the part of individuals outside of this house with whom they are associated.

An hon. Member: He said, a political machine.

Mr. Martin (Essex East): I suggest to Your Honour that is an improper remark and it should be withdrawn, because the hon. gentleman, under our rules, has no right, as he knows well, to reflect upon the character, the integrity or the honour of any member of this house.

Some hon. Members: Withdraw.

Mr. Speaker: Order. I regret that owing to my momentary preoccupation with a request from an hon. member of this house which was being made to me directly, I did not get the exact words the hon. member for St. John's East used on that occasion. However, I will say that if his words were as indicated by the hon. member for Essex East, namely, that a member of this house owes his election or his tenure of office to corrupt practices by other persons, then I feel the hon. member did not mean to go that far and he would have to withdraw those remarks, if they were made—if they were made.

Mr. McGrath: For your benefit, Mr. Speaker, I will repeat what I said. If I can remember the words correctly, I said there are certain hon. gentlemen opposite who owe their seats to the corrupt machinations of a corrupt political machine in Newfoundland. Those were my words and they obviously offended the sensibilities of certain hon. members opposite. Now I should like to continue my remarks.

Mr. Martin (Essex East): The hon. gentleman will be allowed—

Mr. Speaker: If those are the words the hon. gentlemen used, I do not feel they reflect directly on any individual member. We have heard allegations of this or that already in this debate—that members of one party, for example, deliberately misled the public. They have not been challenged. Such remarks have been made on both sides of the house and I take it they were made in this instance in the same spirit. I would ask the hon. member to continue his speech, bearing in mind the injunctions which have been made so far.

Mr. Martin (Essex East): On the point of order which I have not yet been able to argue: Your Honour now takes the position that the words as amended by the hon. gentleman still do not offend the rule to which I directed your attention. I suggest with confidence that any hon. member who says of another that he owes his place in this house to corrupt practices, directly or indirectly, is defaming that person and that it is contrary to our rules for one hon. member to impugn the character of another, directly or vicariously. I suggest to you that the words even as amended by the hon. member should be withdrawn at this time. I submit this especially because the hon. gentleman was speaking at a time when certain of the hon. members concerned are not present in this house and cannot now rise and take issue. I am doing so on their behalf.

Mr. Ricard: Who are they? Name them.

Mr. Martin (Essex East): Members from Newfoundland to whom the hon. member directed attention.

Mr. McGrath: May I speak to the point of order raised by the hon. member for Essex East? I did not mean to infer that certain hon. members opposite had indulged in corrupt practices. It must have been evident to anyone who was listening that what I was inferring was: the corrupt practices of a corrupt political machine.

Mr. Robichaud: Are you talking about the Union Nationale?

Mr. McGrath: No, I am talking about the Liberal party in Newfoundland.

Mr. Speaker: The citation is standing order 30.

> If anything shall come in question touching the conduct of any member, or his election, or his right to hold his seat, he may make a statement and shall withdraw during the time the matter is in debate.

I think this rule does not apply directly to the situation before us now. I may say that this is a borderline case. The hon. member has furnished an explanation of what he meant and, provided he is willing to add that such members may have been elected without their participation, their knowledge, or their desire in relation to these corrupt practices alleged by the hon. member, that may pass; but beyond that I do not think I would permit him to go, and he will have to withdraw that particular segment of his remarks.

Mr. Martin (Essex East): On the point of order, may I suggest with great respect that Your Honour has not correctly interpreted standing order No. 30, which reads:

If anything shall come in question touching the conduct of any member—

Now I point out these words:

—or his election—

That is the point. What has been stated is that hon. members in this house owe their election to corrupt practices. That clearly affects an hon. member's election.

—he may make a statement and shall withdraw during the time the matter is in debate.

That is what the standing order says. No one has the right to go beyond the meaning of that order. The hon. gentleman has violated the order and he should be called to attention forthwith by Your Honour.

Mr. Harkness: May I say a word on this point of order as read by the hon. member for Essex East? I submit that no hon. member from Newfoundland, which is what the hon. gentleman put into question, has risen and made any complaint in connection with the matter of his election.

An hon. Member: There is one on his feet now.

Mr. Harkness: Therefore, the point which the hon. member for Essex East has made does not arise. If one of the hon. members from Newfoundland wishes to rise and protest against the statement which has been made, then there is a different situation.

Mr. Carter: I was on my feet, Your Honour, but you chose to recognize the Minister of National Defence. The hon. member for St. John's East did not specifically mention Newfoundland but it was clear his imputation was that there were certain members from Newfoundland in this house who owe their seats—these are his words—to the corrupt practices of a political machine in Newfoundland.

I am one of those members and I am here in the house now.

An hon. Member: You are one of them?

Mr. Carter: I ask the hon. member for St. John's East to specify the members he had in mind, because I challenge him to prove that I owe my seat to any corrupt practice of any political machine anywhere.

Mr. Speaker: I appreciate the hon. member for Burin-Burgeo speaking on the point of order although I think he went altogether beyond the point of order and engaged in something else. I do feel, however, that the rule which has been cited by the hon. member for Essex East—and I thank him for his observations—goes to a particular instance and I think the interpretation I have placed on the general principle of this matter, together with the injunction I gave to the hon. member for St. John's East, would correct the situation. I hope the hon. member will govern himself accordingly, that is, if he would make the statement that he did not believe any of the hon. members from Newfoundland—we understand them to be those whose cases are before us—willingly or otherwise participated in any of these activities, or that it was done without their knowledge.

Mr. Batten: On the point of order, I am a member from Newfoundland. I do not hold my seat in this chamber as a result of any corrupt practice. I deplore the remarks which have been made by the hon. member for St. John's East and I hope he will retract those remarks.

Mr. Speaker: I appreciate the remarks made by the hon. member but I must say they are not really on the point of order as such. When we are discussing a point of order, we are discussing the interpretation of a standing order. We are not discussing the merits of the position of an hon. member. Unless there are any contributions toward the interpretation of the standing order, I think we shall proceed with the hon. member for St. John's East. But I would ask him to make the necessary correction.

Mr. McGrath: Mr. Speaker, on the point of order and for the sake of the record, and also for the sake of hon. gentlemen who have raised points of order arising out of my remarks, may I say this: that at no time did I mean to cast any reflections upon the honour and integrity of the hon. member for Burin-Burgeo (Mr. Carter), whose reputation in that regard is well known; or the hon. member for Humber-St. George's (Mr. Batten), who I respect and admire very much, whose reputation in that regard is also well known, and I look forward to a continuation of our friendship; and equally my hon. friend from Trinity-Conception (Mr. Tucker), whose honour and integrity are also well known outside this house.

Mr. Martin (Essex East): What about the others?

Mr. McGrath: Mr. Speaker, if I may continue with my—

Mr. Speaker: Order. I think that the hon. member has narrowed the field. We know who are the hon. members from Newfoundland and I do not think that I can now let his remarks stand.

Some hon. Members: Withdraw.

Mr. McGrath: Mr. Speaker, were I permitted to finish I would have continued to refer to the hon. gentlemen from Newfoundland who are not present. Because, Mr. Speaker, it is evident that what I was trying to deal with was a political machine in a province. I did not mean to infer that the hon. members were part of that machine. For the sake of the record, Mr. Speaker, may I say that I do not intend to cast any reflection upon the honour and integrity of any hon. members of this house, and that includes the three hon. members I have just mentioned and also the hon. member for Bonavista-Twillingate (Mr. Pickersgill), were he here to hear me, and the hon. member for St. John's West (Mr. Cashin) the hon. member for Grand Falls-White Bay-Labrador (Mr. Granger)—and even the hon. member for Essex East, if he wants me to say so.

Now, Mr. Speaker, if I may continue, I would relate to the house certain events which took place in June of this year. Hon. members are well aware of the fact that the then minister of finance, the hon. member for Eglinton, was invited to speak at a luncheon of the Rotary club of St. John's, Newfoundland, on June 7 of this year. I was present at that luncheon, Mr. Speaker, and I witnessed an ungracious attack upon the freedom of speech in this country that is unexcelled in the history of the British Empire. I saw the Queen's first minister of the province of Newfoundland use the authority of the Queen's government to suppress freedom of speech in the province of Newfoundland on June 7 of this year. I was at the table at the time. I happened to know of the events leading up to the invitation by the Rotary club to the then minister of finance to address them. The Rotary club of St. John's chose the subject they wanted the minister to speak on at the then minister's insistence.

During the course of the luncheon, Mr. Speaker, as the minister was arranging his notes in preparation for the speech that was about to follow, a messenger made known the presence in the next room, of the premier of the sovereign province of Newfoundland, and he had words to say to the president of that service club. Here is a letter which was written in his own hand to the president of the club:

> Dear Sir: As Rotary club, by permitting a politician in the midst of an election to speak on a political subject, became a partisan body I have to inform you that the invitation of the government of Newfoundland to a group of Rotarians to be the guests of the government at dinner next week is hereby withdrawn.

Mr. Speaker, what I did not add was that on the following week the Rotary club were to be host to a regional convention of their particular service clubs taking in the Atlantic provinces, and it was to be quite a large assembly. And the premier was to speak. The fact remains that there are no facilities in Newfoundland big enough to host such a convention other than the facilities owned by the government of Newfoundland. So it was obvious that what the premier was saying was: "If you allow that Tory politician to speak, I, as Her Majesty's first minister, will not let you have the people's facilities for your convention next week, and I will withdraw the invitation of the government of Newfoundland to be host at a banquet for that convention".

Mr. Speaker, this was quite a state of affairs. I submit that this has never happened before in the history of this service club, whose distinguished record of providing a platform to speakers on various subjects is well known across the length and breadth of the country. The then minister of finance, realizing the predicament of his host, the president of the Rotary club, and the other officers who were present, offered to acquiesce to this unreasonable demand. Yes, I say unreasonable because he was still Her Majesty's minister of finance for Canada, and not a "Tory politician" from Toronto. The premier of Newfoundland forgot that fact, just like he forgot that he also was still the first minister of Her Majesty's government in Newfoundland. What a pity he forgets that fact too often. As I say, realizing the predicament of his host, the minister decided it would be the better part of valour to acquiesce to this unreasonable demand, and so another messenger was sent to the little adjoining room to tell the premier, who was shaking with rage, that the minister of finance would speak, but not on the subject of the pegging of the dollar which the Rotary club wanted him to speak on. The minister asked whether it would be all right if he got to his feet and brought greetings to the club. And back came the reply. The reply was: "If that man so much as gets to his feet, I will consider it a partisan act on the part of the Rotary club and I will withdraw the invitation of the government of Newfoundland to host the convention next week".

Some hon. Members: Shame.

Mr. McGrath: What kind of a political machine is that, Mr. Speaker?

Some hon. Members: Liberal.

Mr. McGrath: I ask, what kind of political activity is that?

Some hon. Members: Liberal.

An hon. Member: What about the bill of rights?

Mr. McGrath: I commend the bill of rights to hon. gentlemen opposite, and I wish they

would commend it to the premier of Newfoundland. I commend the bill of rights brought into this house by the champion of free speech in this country, the right hon. Prime Minister, a man who has always steadfastly stood against oppression in this country wherever it existed and against whomever it was directed. I commend the bill of rights to hon. gentlemen opposite and to their partisan colleagues in Newfoundland in view of the shameful tactics which they used in the last election campaign.

Mr. Robichaud: Time.

Mr. Harkness: No wonder you are calling time; you do not want to hear the truth.

Mr. Robichaud: On a point of order, Mr. Speaker.

Some hon. Members: Sit down.

Mr. Speaker: The hon. member for Gloucester is raising a point of order.

Mr. Robichaud: My point of order is this, Mr. Speaker. The hon. member who presently has the floor started his speech at 3.27 p.m., 33 minutes ago. I think he is allowed 30 minutes under the rules.

Mr. Speaker: The Chair and its officers are arbiters of the time. In view of the protracted point of order, I have made a minor adjustment in the hon. member's time with regard to when he finishes, and that will be at 4.02 p.m. The time taken up with the point of order was eleven minutes, and therefore, in view of the fact that the hon. member speaking may have brought some of the problems upon his own head by his language, although we heard a lot of other matters which were not truly points of order, the adjustment was made on that basis.

Mr. McGrath: Mr. Speaker, I was just about to conclude that portion of my remarks by commending to hon. gentlemen opposite an editorial by one of the great Liberal pundits in Newfoundland, Mr. Albert Perlin, the man who, next to the hon. member for Bonavista-Twillingate, is perhaps closest to the premier of Newfoundland. I was about to commend to the house, Mr. Speaker, an editorial that appeared in the daily *News* of St. John's on June 8 in which that great Liberal journal deplored the action of the premier of Newfoundland in preventing the former minister of finance from speaking to the Rotary club of St. John's. If the hon. member for Bonavista-Twillingate were here, I would tell him that during the course of his remarks not once did he refer to the Atlantic provinces development council mentioned in the speech from the throne.

Mr. Speaker: Order. The time allotted to the hon. member has now expired.

(Translation):

Mr. Albert Bechard (Bonaventure): Mr. Speaker, you will understand my apprehension and emotion in this solemn moment when I am rising for my maiden speech in this chamber where so many great men of our history have performed with far greater oratory than I can muster.

Like my distinguished colleagues, Mr. Speaker, may I offer you my most sincere congratulations, on behalf of the people I have the honour of representing in this house and myself, for your election to the office of Speaker of this august assembly. Being a newcomer, I have not had the good fortune of knowing you before this session, but the list of your great talents and qualities mentioned here, when you acceded to your high position, together with the military discipline you acquired during the last world war, will certainly be most valuable assets in overseeing our proceedings, which is actually the highly responsible task you have just been called upon to perform. Therefore, Mr. Speaker, the best of success to you in the discharge of your exalted duties which are mainly concerned with protecting our parliamentary freedom and our democracy.

Although I disagree with the hon. members for Waterloo South and Nicolet-Yamaska (Messrs. Chaplin and Vincent), the mover and the seconder of the address in reply to the speech from the throne, about everything they said here, I wish to congratulate both of them for the elegance and the eloquence they showed in the discharge of their task.

It is in our tradition, I believe, that the debate on the address should give an opportunity to the members to speak of their counties and to briefly expose their needs.

Being the representative of a remote region, perhaps more or less known—I might even say, unknown to several of my hon. colleagues—I shall take this opportunity to speak of Bonaventure county.

First I thank my fellow citizens of Bonaventure for the honour they bestowed upon me in choosing me as their spokesman and I thank the honourable leader of the official opposition in the house as well as my colleagues from Quebec, for having thought of the Gaspe peninsula at the very beginning of this session.

Bounded in part by the Matapedia river, in part by the Restigouche river and for the greater part by the Chaleur bay, the constituency of Bonaventure extends from Routhierville, in the west, to Gascons, in the east, over a distance of about 150 miles.

The population of my constituency earns its living with agriculture, fisheries, forestry and the tourist industry which, incidentally, does not seem to have benefited to a great extent from that healthy devaluation of the Canadian dollar, mentioned in the speech from the throne and about which much fuss was made by the Prime Minister (Mr. Diefenbaker) last Tuesday, in an earnest effort to explain that urgent measure—a pre-election measure in this case—because never, in the touristic lifetime of the Gaspe peninsula, has there been such a decrease in the number of American tourists than during the summer of 1962.

My constituency is in one of those areas of the country that can be considered as being economically underdeveloped, on account of its remoteness from the larger centres and the prohibitive cost of electricity, an essential factor in the establishment of the manufacturing industries in our area. The result is, and more than elsewhere I think, a frightful and continuous increase in unemployment.

Agriculture being one of the main sources of income in the constituency of Bonaventure and since—

> The prosperity of agriculture remains essential to the well-being of the entire Canadian economy.

—as can be read in the speech from the throne, I should like to draw the attention of the house to the outstanding importance which must be given to agriculture in the province of Quebec, and in the Gaspe peninsula in particular, to that sector which I consider as the basis of Canadian economy, if we want to save it.

The high-sounding words uttered and the sensational tricks performed in this house will not make us forget, in Quebec, in the Gaspe peninsula, that the famous post-electional austerity program (so-called urgency measure) in the field of agriculture seems to have been invented, created and brought into the world by the government to "austerize", ostracize and penalize the farmers of the province of Quebec. I shall come back to that in a moment.

Our Gaspe farmers and, I might say, most of our eastern Quebec farmers are complaining that they cannot live on their farms, on account of the lack of development of the land, the lack of marketing organization for the sale of our farm products, which would allow us to sell and consume in this country our own products; in other words, on account of the lack of a farm policy really conceived in the interest of the farmer. Why in the world could we not produce in this country what we can consume in the matter of farm products? According to experts, we have in the Gaspe peninsula the best climate perhaps in Canada for general farming.

[Mr. Bechard.]

However, in view of the prohibitive price of manure and fertilizers, the distance between us and our sources of supply, which increases even more the cost of those products essential to the economical development of our lands, our farmers cannot see when their lot will improve.

Most of those who are still interested in farming, are crushed, overcome, burdened by an enormous debt incurred in buying farm machinery, and which they cannot pay back because the land, insufficiently prepared, will not yield enough to enable them to meet their numerous responsibilities. The result is an abnormal situation, where our farmers are obliged to look for work, in the bush or elsewhere, in order to earn the extra money, if not all the money, they need to pay for their machinery. In my opinion, that does not make sense. A man is a farmer or a lumberjack. He cannot and must not be both at the same time, if he wants to succeed in one field or the other. Not to mention the fact that the farmers who are thus compelled to join the labour force add to the number of unemployed by taking the jobs of available workers. We are making the same mistake again in the field of agriculture, we are putting the cart before the horse. Allow me to explain. The Canadian government is much more favourable to the granting of loans when they are used for the purchase of machinery and equipment than when they are used to improve the land.

To support this statement, I should like at this time to refer to the speech delivered here this morning by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) when he stated that when Quebec farmers want to improve their farms by buying machinery and want to pay off debts they have incurred through such purchases and which can amount to $10,000, $15,000 or $20,000, they address themselves to the central government. On the other hand, the provincial government is more concerned with land than with machinery; land comes first, equipment after. And it is the land which should be tackled first, so that it may produce. Then—and only then—shall we think of farm market organizations and farm mechanization. Our local market, if well organized, is able to absorb all that our farmers can produce, and even more.

Without a domestic market, it is useless to think of a progressive development in agriculture. To promote marketing, our farmers must be sure to have, during the off-season, a stock of those products which are most in demand. To this end they must have storage

facilities here and there, grouping various neighbouring communities. There is, in this case, a federal-provincial arrangement to help the farmers build such storage facilities which is, at least, accepted in the province of Quebec. Already, in my county, localities where the establishment of such facilities would be appropriate have been approached, and construction should begin during the summer.

Unfortunately, austerity on the part of this government—the austerity program decreed after the election without any previous consultation of this parliament—a procedure I heartily disapprove, because it is contrary to the most elementary observance of constitutional principles—this austerity program came into being, as I say, to paralyse at home, in Bonaventure, and all over the province of Quebec, the introduction of the policy advocated by the government of Quebec.

It could really be said, Mr. Speaker, that the Prime Minister conceived that emergency program especially to counteract the plans of Quebec farmers.

On the other hand I am told that farmers in the province of Quebec will, because of this austerity program (this so-called emergency measure) be deprived of approximately $1,200,000, which were to be paid out to those who use lime on their farms. Statistics reveal that Quebec farmers use more lime than the farmers of all other Canadian provinces together, and the disappearance of that subsidy is therefore causing to the Quebec farmers considerable injury.

The farmer is furthermore the victim of that same austerity program in that the premium for grade A hogs was lowered from $3 previously to $1, the Minister of Agriculture (Mr. Hamilton) having, in addition blotted out the grade B. I was unofficially told that changes have recently been made or will shortly be made to the scheme for grain transportation from western Canada to eastern Canada, which will again bring about a loss of $10 million to the farmers of the province of Quebec.

As far as my constituency of Bonaventure in particular is concerned, I must say that we have there, at Caplan, an experimental farm which gave valuable help to farmers of the Gaspe peninsula.

However, according to a rumour that started going round last winter and is getting stronger all the time, the experimental farm established in my riding by the Liberal government which preceded the present government, is likely to disappear. Therefore, I strongly urge the government, the Minister of Agriculture, to prevent such a disaster from happening in our province, to stop such an injustice while there is still time. It is all very well to say that everybody must tighten their belts and do their share in these times of austerity; but for goodness sake, do not always take it out on the same people.

I bear no grudge against our western friends. On the contrary, I am delighted to see how much was done for them, even though it was not enough to answer all their problems; but you must admit, Mr. Speaker, that they were far better treated in that respect than eastern farmers.

As the hon. member for Argenteuil-Deux-Montagnes mentioned the other day, the province of Quebec suffered during certain years much more than the western provinces from the loss of crops through drought, excessive rain, etc.

What did the federal government do for the farmers of the province of Quebec? Nothing. The Liberal party will make the present crop-insurance legislation more flexible and less costly for the provinces, so that farmers' fear of such disasters at the first whim of the weather may be alleviated.

Mr. Dumont: Will the hon. member allow me a question?

Mr. Bechard: After I have finished my remarks.

Mr. Speaker, the farm labourer of my region should also be entitled to the benefits of unemployment insurance, which is denied him by paragraph I, section 154 of the act.

In such a climate of indecision and insecurity, how do you expect our rural youth to take an interest in the farm?

Concerning fisheries, the least we can ask the Canadian government is to improve the fishing harbours which have been shamefully neglected since 1957. At certain places, they will have to be completely rebuilt; at others, extensive repairs and improvements will have to be made.

Since the establishment, in my riding, more particularly in the last two years, of large sawmills, especially in Carleton, New Richmond and Bonaventure, as well as the setting up of shipyards at Paspebiac, and above all, the definite prospect of having a very important plant at New Richmond—the population of the Gaspe peninsula begins to feel some relief—thanks to the co-operation and determination to decentralize industry, of the dynamic Quebec government, which, whether my hon. fellow members from Longueuil (Mr. Sevigny), Vaudreuil-Soulanges (Mr. Bourbonnais), Joliette-L'Assomption-Montcalm, and St. Mary (Mr. Valade) like it or not, will come back to power with a crushing majority for the greater benefit of the province of Quebec.

However, the coming of those industries, which means an economic revival in the Gaspe peninsula, calls for the building of new docks, as well as for the extension and a considerable improvement of existing facilities.

For instance, in order to answer the needs of the New Richmond plant, a deep sea wharf will have to be built on a site where there is already a beginning—that is, more precisely at Cap Noir—to facilitate the shipping of wood and wood products to the domestic and foreign markets. And if we want to be ready in time, I shall ask the Minister of Public Works to look immediately into the problem with the greatest of care.

For the same reasons, the wharf at Carleton must be extended by a few hundred feet, and that seaport which is the most beautiful natural haven in Canada, after Gaspe, must be improved. A wharf should be built at Maria, and some urgent improvements made on all other wharfs, some of which are in rather bad condition. Some protective work is also needed in various localities, like Saint Godefroi, Port Daniel, Shigawake, Bonaventure, Caplan, New Richmond, Maria, Carleton, St. Omer and Matapedia, and more particularly at that spot where the waters of the rivers Restigouche and Matapedia are causing considerable damage each spring. In those cases, as in many others, we are only asking that projects started by the former government be continued and we shall be satisfied.

Numerous public works could be carried out, without too much of a strain on the imagination, which would greatly help the economic development of our area. A post office in New Carlisle, chief town of the constituency of Bonaventure, must be built at once, as well as a public building in Carleton to a house a post office, a customs office and the R.C.M.P. headquarters.

Mr. Speaker, I do not think that in this 20th century the telephone may be considered as a luxury. If I told you that in my constituency, in 1962, there are places which are still deprived of that essential public service, which do not even have the hand-operated telephone, my hon. Conservative colleagues would no doubt be surprised. Well, that is a fact, Mr. Speaker. Yet, under the previous administration, telephone lines were built in several remote places in the constituency of Bonaventure. St. Fidele, St. Etienne de Restigouche and St. Conrad in the constituency of Bonaventure—and I probably have forgotten some—are still deprived of that service, while they are more than 15 miles from the nearest telephone. Is that not a shame, in this second part of the 20th century? There is another parish, St. Edgar, which, having been promised a substantial grant from the Department of Transport, did build a telephone line, more than a year ago, and yet, according to the latest news, it had not obtained the grant it had asked through the medium of my predecessor in this house, and is thus faced with serious difficulties.

Some hon. Members: Shame.

Mr. Bechard: That community, which does not have enough income to afford such an expense, must not only suffer from the present austerity program, but also tighten its belt to make its monthly payments for the construction of that line.

The most tragic evil in this country, Mr. Speaker, is still unemployment. And yet, no one was to suffer from that evil under the leadership of the present Prime Minister. After having carried out completely the public works I have just recommended and after having built the public buildings which the Gaspe peninsula needs, the government will have to seriously consider helping small industries, if we want to do something tangible to ensure some development in our region, create jobs and thus alleviate unemployment.

Mr. Speaker, what is being done at present to promote the small industry in the Gaspe peninsula, apart from levying somewhat too heavy taxes? Our soil contains abundant natural resources only waiting for imagination, capital and leadership to play the part they are expected to play in our national economy.

As for the Liberal party, it advocates the following assistance in order to promote the small industries in the remote areas, in the areas that are economically less favoured: tax abatements for corporations; special depreciation rates for new machinery, and deficiency grants during a limited period to economically sound projects, with priority being given to industries in the areas where employment will be most urgently needed and to industries that will increase their exportations. Here is, at last, something concrete and likely to bring our people to improve their businesses, or to take the initiative of setting up the new industries which are needed by our country and which the Gaspe peninsula is anxiously awaiting.

Mr. Speaker, it is only fair that the federal government, which levies too many taxes in the province of Quebec, according to my way of thinking, which controls all possible taxation fields, including estate duties that belong exclusively to the provinces, it is only fair that the federal government distribute in a somewhat more equitable manner the yield of those taxes by improving the lot of our people who are claiming, not bread and games, but their daily bread.

We, from the Gaspe peninsula, have been too long forgotten. This tragedy has been with us ever since 1534, when Cartier took possession of our country by setting up a cross in Gaspe. Mr. Speaker, are you not of the opinion that this has been going on long enough? Are you not of the opinion that we have had our share of neglect?

The Liberal party has spoken of crop insurance and of the organization of farm marketing in order to compete with foreign markets. It has mentioned the building of storage facilities, of extending support prices to all farm products, in order to help the farmers, and of offering incentives to the small industry. But what we have heard and seen on the other side of the house? Laughs, jeers, dramatics, in short, a comedy.

The Gaspe peninsula has always been unrecognized, forgotten. It is time to put an end to such a situation. The Gaspe peninsula people, the farmers, the fishermen and the workers, and especially in my riding, do not want to depend on the charity of the state, on pensions, on dividends; they do not want to sponge on society. The people from the Gaspe peninsula are too proud to stoop to doing such a thing. Those people are only asking for work enabling them to earn a decent living for their families and thus contribute to the development of our economy.

In these difficult times our country is going through, when attempts at infiltration are being made by subversive movements and ideas by every means possible, what worries me most for Canada's future and the security of its citizens, is the appearance on the Canadian political scene of certain revolutionary zealots who rouse the people faced with all kinds of problems, and teach them to hate those who are a little more successful in society, stirring up the class struggle by their demagogic talk and their no less demagogic statements of policy, drawn solely from their visionary imagination. Where will this lead us, Mr. Speaker, if the people let themselves be taken in?

Here is the answer: to what certain totalitarian countries have known and are still experiencing.

Is it not the member for Villeneuve (Mr. Caouette) who, addressing workers in a political speech around 1945, after parliament had approved an increase in the parliamentary indemnity of the people's representatives, said something which amounted to this:

> You see, those gentlemen have just voted an increase in salary for themselves, but they forgot to think of the workers.

Words worthy of a revolutionary, but we do not have to go very far to find people better off than members of parliament, even among the working class.

The situation is serious and it is time more than ever for all men of good will, for all members conscious of their responsibilities, to join and work together, uniting all their knowledge and their efforts in order to find an answer to the problems facing us, in agreement, security and peace.

This is no time for rebellion, but it is time for joint work centred on one purpose: the greatness, security and prosperity of our country in unity and peace.

In concluding my remarks, Mr. Speaker, I want to assure my fellow citizens of the constituency of Bonaventure, of Quebec, and all Canadians, that as long as I shall be allowed to sit in this house, I shall be the keen defender of the rights they prize the most and of their just claims, all in an increasingly greater and stronger Canada within the community of nations.

Mr. Dumont: How many millions?

Mr. Denis: He wants to be thrown out.

Mr. Valade: Would the hon. member allow me a question?

An hon. Member: That is not written.

An hon. Member: No, it is too late, his time is up.

Mr. Maurice Cote (Chicoutimi): Mr. Speaker, I am very pleased to be able to congratulate you on having acceded to the honourable position you now occupy. I also want to congratulate the two hon. members who proposed and seconded the address in reply to the speech from the throne.

I am very proud to speak in this parliamentary house, in the nation's capital, this city of Ottawa, formerly called Bytown, and of which my maternal grandfather was one of the pioneers.

As the representative of the magnificent constituency of Chicoutimi, I have the honour of being one of the seven members of the Social Credit party whose ridings are linked with the great Saguenay area—

An hon. Member: Hear, hear.

Mr. Cote: —the total population of which is over 350,000 people. May I tell you, Mr. Speaker, that the Saguenay region was so named in 1535 by Jacques Cartier, discoverer of Canada, that is 427 years ago, and that the limits of that splendid region were established by the king of France in 1732 and confirmed by a document from the British privy council in 1926. No region in Quebec and Canada has a name and boundaries so genuinely established by seniority and official recognition. Chicoutimi is the capital of that area as well as the center of elegance, refinement and French culture. That area covers 150,000 square miles, which is equivalent to five provinces of the size of New Brunswick.

May I say, now, to the hon. members of the old Liberal and Conservative parties which have taken turns in office for 95 years, that I do not have to blame them too much for all the efforts made in order to increase the national production, because it seems that they have been successful in this field if we are to judge on the basis of the surpluses which have been a source of worry for governments for so many years. However, the Canadian people do not have the money to purchase $37 billion in production when, according to eminent economists, they might be able to consume normally $50 billion in production to meet their basic needs.

Neither do I dare cast too much doubt on the sincerity of their violent outbursts and the abuse they throw at one another. However, I shall say that the most painful discovery I have made is that they have all been prisoners of an obsolete and outdated debt-money financial system which squeezes and strangles them until they can no longer breathe. They will not succeed in freeing themselves from this stranglehold unless they decide to get off the beaten paths, which I doubt very much when I think of their party funds.

An hon. Member: Hear, hear.

Mr. Cote: As for our hon. friends the socialists, so well-intentioned, they would rather turn everything upside down in our country, through government planning, and strive for the implementation of state capitalism, instead of fixing the basic flaw in our economic machinery, that is, our monetary system, which, whatever may be said, has been conceived by men and must be rectified according to the needs of the times.

An hon. Member: Hear, hear.

Mr. Cote: It has been approximately 50 years since our country entered the era of mechanization and automation, and despite all the technical and scientific progress made, we still have the same old capitalistic debt-money financial system which was the fashion when ox-drawn wagons roamed down the main street of Bytown, which is the limit of irrelevance and absurdity.

If all the Liberal and Conservative governments which have administered our country during that period had realized that their first duty was to respect and protect the citizens and families of this nation, their financial policy would have been set up differently.

But, did they really have a financial policy? Is it not a fact that, until now, the whole financial system of Canada has been left to some people's discretion and to chance? These old Liberal and Conservative parties, instead of rectifying our shady debt-money system, are leading us gradually towards state capitalism, this vicious system which every right-minded Canadian rejects in his heart, because we all agree that the system which prevails in Russia has no place here. Indeed, the Canadian government owns and manages nearly 30 Canadian companies, to which you must add 36 companies involved in the national railways network.

Besides, which parties have been in power in our country for the last 50 years which have given us a funny money, constantly depreciated, and which have pushed us over from inflation to deflation, from recession to stagnation and from depression to financial bankruptcy? Was it the Social Credit party, or the Liberals and the Conservatives? That is what Canadians must know and remember. The time of camouflage is over and we will state the facts in broad daylight. Since June 18, the chips are down, hon. colleagues, because Social Credit has now entered parliament in triumph through the front door and from now on, this rise to power will only stop at the top, according to the will of the Canadian people.

After the votes recently cast in this house, there are only Social Crediters and socialists left, because the Liberals voted for the socialists. So they put down their masks of

disguised socialists. As far as the Conservatives are concerned, having introduced the monetary reform in 1934 by the establishment of the Bank of Canada, they indicated that they always had an inclination towards Social Credit and they must be commended for it.

An hon. Member: We knew it.

Another hon. Member: It did become obvious.

Mr. Cote: It is obvious, Mr. Speaker, that to several members of this house, the mechanism of the Bank of Canada and of our monetary system is something very mysterious. Many think that money grows in the field like mushrooms and that it is a sacred thing not to be touched. That is an indication of a lack of elementary knowledge of public men.

What we need is the socialization of credit or money. That is the main problem facing our country.

According to the economist Paul Del'Anielo, professor at the school of higher commercial studies in Montreal:

> Canada's banking system is very different from that of its neighbours, the Americans. In the United States, there are practically 14,000 various banking institutions, whereas Canada has only eight commercial or chartered banks. Our banks having the tendency of amalgamating, especially since the turn of the century, one can truly wonder if, twenty five years from now, banking operations in Canada will not be controlled by only three or four financial giants.

On the other hand, Mr. Pierre Harvey, an economist, writes the following:

> For banks, credit is just another merchandise. We must remember that chartered banks, being private enterprises, are interested in making as much money as possible by selling credit because, in their eyes, credit is just another merchandise.

Mr. Harvey then goes on to explain the mechanism of credit:

> If, for instance, deposits total $110, the bank will be able to extend credit up to $900 and still keep a reserve fund of 10 per cent. In other words, banks can lend ten times as much as the amount of deposits they hold.

And then:

> When bank managers claim that chartered banks cannot extend credit because of the high rate of interest charged by the Bank of Canada, they are speaking nonsense because even if the central bank were charging 10 per cent interest and a chartered bank only 6 per cent on a loan of $110, for instance, the latter would have to pay $10 but it would extend $1,000 worth of credit at 6 per cent which would net $60 in profits.

Indeed, as Mr. Harvey, who teaches at the school of higher commercial studies, states:

> Except in cases of great emergency, the chartered banks never borrow from the Bank of Canada.

Mr. Speaker, I could quote fifty other well-known economists to prove the creation of bank credit. That is what led a great Liberal senator, the late Hon. Gerry McGeer, of Vancouver, to say to the financial editor of the Toronto daily *Star*, Mr. Boland Honderich, on May 1, 1947:

> Where do the banks get the money they loan to the government? They do not use the funds depositors have left with them, although they have tried to make people believe it. It is rather money they create by making entries in their books.

And he added:

> The creation of credit is a power that should be wielded by the government of the country, through the Bank of Canada, to meet the justifiable financial needs of the federal, provincial and municipal governments. As long as the power to create credit remains in the hands of private banks—

he added,

> —the country will remain under the economic domination of the banks.

And the Liberal Senator McGeer concluded by saying:

> 1. It is not necessary to go outside Canada to borrow money to meet the needs of Canadians; we can create all the credit we need.
> 2. We do not need gold reserves to guarantee our money.
> 3. Our prosperity does not rest on the export trade.

Those are the words of a Liberal senator.

Mr. Speaker, one of the great problems facing the present government is the international balance of payments. That is not surprising because when the international monetary fund was created in 1944 through the Bretton Woods agreement, the old capitalist formula prevailed. Three great countries, alone, held a majority of shares. Instead of creating an institution "controlled" by a few countries only, the same contribution should have been set for each country or all the members should have had an equal vote.

On July 9, 1956, Mr. Solon Low, then member for Peace River and the Social Credit leader, said this:

> The Bretton Woods agreement favoured mainly the creditor countries like the United States without putting them under the obligation to balance their trade by accepting goods from other countries.
>
> However, they imposed that obligation upon the debtor nations. They set up the international gold standard and gave the creditor nations the right to wait and demand gold or American dollars.

That, Mr. Speaker, is the root of the problem of the balance of international payments. But, unfortunately, those arrangements were approved in 1944 by the Liberals

who were then in power and by the Conservatives and the socialists in the opposition. Only the Social Credit party, under the leadership of Mr. Solon Low, was definitely against those obnoxious agreements. Events have shown that only the crediters had proved to be competent financial administrators.

Those who now state, in this house and elsewhere, that Canadians do not lack purchasing power and that our monetary system is perfectly balanced are good people who are terribly unaware and blind, or men who knowingly distort the facts.

An hon. Member: Hear, hear.

Mr. Cote: Because if we add up the number of officially and unofficially unemployed persons in the nation, we come up with a figure of over 600,000 unemployed, with more than 2,500,000 dependents. Officially unemployed persons are those who collect unemployment benefits, while the unofficially unemployed come under public assistance. Those family heads collect approximately $35 a week, which is definitely insufficient in view of the cost of living at the present time. Those fellow citizens are in most difficult circumstances. They are undernourished and lack the essentials of life. In the face of such suffering, the government must place the resources of the Bank of Canada in the service of the nation.

An hon. Member: Hear, hear.

Mr. Cote: We must do away with any austerity program and launch large public works in the most affected areas in the country, without levying any extra taxes and without borrowing, that is, by issuing new money. To this end, let us set up without delay a bank for social financing or for social investment, directly responsible to the Bank of Canada, but endowed with the same powers for creating credit as those available to the chartered banks. Such a bank for social financing would make loans at a rate of interest which would only cover the costs of administration, amounting to about one half of one per cent.

Then, Mr. Speaker, it would be possible to undertake urgent projects which are simply a must all over Canada. And if you want examples of urgent works which would absorb all the available working force in the Chicoutimi or Saguenay areas, I give you a list of them: three bridges across the Saguenay; 20 maritime shipping relays; erection of a modern hospital in Ha Ha Bay; construction of a university, ten post offices, a direct route to the north shore, which has been requested for 25 years; rebuilding of the Chicoutimi-Quebec city-Montreal railway line; repair, improvement and construction of sea wharves; replacement of old railway cars that are falling apart; relocation of the St. Honore airfield to service commercial and private aircraft and to prevent air tragedies such as the one that occurred last night at the Bagotville R.C.A.F. airfield, in my constituency.

The development of the airport at St. Honore by the Department of Transport is a matter of national emergency. This country cannot afford loss of human lives and millions of dollars because of stupid accidents when there is a $5 million airport ten minutes from Chicoutimi, which could accommodate all private and commercial flights.

Mr. Speaker, that list represents only part of our requirements in the Saguenay district. Those are only examples of the social capital expenditures mentioned by the American economist J. K. Galbraith, and many others like him. Those public works projects would increase employment and allow Canadians to live a decent life in their own country.

The dean of commerce at McGill University in Montreal, Mr. Donald E. Armstrong, said not so long ago:

> Only drastic measures can put a stop to unemployment. The remedy is simple and painless. It is necessary to spend more. What is particularly necessary is an increase of expenses in what is known as the public sector; expenses for public education, health, amusements and a variety of other services and installations of which Canada is badly in need.

Besides the necessity of creating one million new jobs in Canada during the next five years, on account of the population increase, it is necessary to think over the words of Mr. Frank Capon, a director of the Du Pont de Nemours Company:

> Three years hence, 15 per cent of the workers will be displaced through automation and in 5 years, at least 25 per cent of the workers will be dismissed on account of mechanization and automation.

Now, Mr. Speaker, I want to state in this chamber, that those choruses that were loudly sung on every occasion in favour of national unity must henceforth be replaced by a definite program of national understanding. National unity means a melting pot, which is absolutely inadmissible and intolerable, while national understanding means the progress of two nations side by side in mutual respect of each other's rights and privileges.

Everything coming from the federal government must be written and presented in the two official languages of this country. Everywhere in Canada as well as in federal services in foreign lands, federal civil servants must be perfectly bilingual and government buildings must carry bilingual inscriptions. Briefly, French and English must be treated on the same footing, because if it is not, before we celebrate the centennial of confederation, the dream of Cartier and Macdonald will be carried away by the wind of separatism which rumbles with an increasing strength due to the unfair treatment meted out for so long to the French Canadians in every part of this country.

The federal government must control again the issue and volume of money and credit. Production in our country must not be measured in terms of money but money must be issued on a scientific basis of accounting through a practically automatic process, in order to maintain a permanent balance between our purchasing power and the goods and services available.

We must get rid of the silly money-debt system which is responsible for all the financial ups and downs and replace it by a monetary system based entirely on mathematical logic. This very system of money-debt, false and silly, that we use at present, is supported only by people who would rather live in freezing steadfastness rather than to take care of the welfare of their fellow citizens.

The current royal inquiry on money and credit should give us full details about all the credit money which has been created by the chartered banks ever since 1934, that is since the establishment of the Bank of Canada until today. To achieve prosperity in Canada, we must transform our old obsolete money system. Today, the Social Credit theories and philosophy are accepted by millions of people throughout the world. It is the most powerful weapon we have against creeping communism.

Mr. Caouette: Hear, hear.

Mr. Cote: We no longer have to look for a solution; let us not look for difficulties where there are none. Social Credit is not based on faith or confidence; it is a scientific system adapted to the economic needs of our country and of the whole world.

At this time, I should like to remind the Conservative government that there is a very striking difference between our two parties and that because of the philosophy, principles and theories of Social Credit it will never be possible for us to make any alliances as some people seem to expect.

An hon. Member: Why do you vote with them, then?

Mr. Cote: However, Mr. Speaker, we shall not make any systematic opposition to questions as futile as those which have been put forth by the Liberals—

An hon. Member: Election fear.

Mr. Cote: —to make a display of false courage, but we shall support all measures in keeping with the program we have advocated for the welfare of our people.

Mr. Speaker, in view of the fact that I have only a few minutes left, I wish to add that the strongest means to create peace and happiness in Canadian families would be to make provision for loans, through the Central Mortage and Housing Corporation, at a rate not exceeding 1 per cent, and to grant a refund to make up for the difference in rate, to Canadian heads of families who bought or built themselves a home in these last five years.

(Text):

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I wish to congratulate you on your appointment to that lofty seat where you will preside over this house. I am sure all hon. members of this house wish you the very best in an office which will require a great deal of sagacity and wisdom at all times. I should also be remiss if I did not congratulate the mover and seconder of the speech from the throne. I thought that they made excellent speeches. As I have looked around and seen so many speakers making their speeches without reading them, I must offer the comment that at no time have I noticed in this house so many speeches given off the cuff and with as few references and as little reading as on this debate in reply to the speech from the throne.

I think that by now it has been proven beyond peradventure that the period of economic crises in this country developed in the few short weeks before the election. Again, I do not want to belabour this point, but I think I should draw attention to the fact that the dominion bureau of statistics issued a report on the flow of capital from this country in the period April 1, 1962 to June 30, 1962. Dissolution of parliament was on April 21 and election day was on June 18.

The report shows very definitely that during this period $300 million went out of this country as interest on investments in Canada. There was a net outflow of short term capital totalling $168 million. But $242 million was invested abroad by Canadians in foreign banks and short term securities, be it noted, and $77 million was spent on travel abroad by Canadians, foreign shipping, and other intangibles. In all, the sum total was $1 billion. That, Mr. Speaker, represents $10 million every day for that 100-day period. What were the causes of this? Various causes have been ascribed but I think the first thing we must look at is the lack of capital coming from the United States. The United States was looking across the ocean to Great Britain's entrance into the common market. The United States was looking for investment there where labour is cheaper and where investment would yield bigger returns. The second point was the $242 million which was invested outside of Canada by Canadians. In my view full credit for that should go to the Liberal party and I think they must accept that.

I want to speak for a minute or two on the devaluation of the dollar. I think the pegging of the dollar was a most courageous step. It was something that had been asked for over a period of years because businessmen knew what the situation would be if we were tied to a dollar that was stable and not fluctuating. They welcomed it. It allowed them to do business and know the price. I could go on and say more about the history of what France and other countries did in that regard but I do not think that is necessary.

I wish to dwell for a minute or two on the effect on my riding of devaluation of the dollar. I represent the riding of Simcoe East which has water on three sides. It is one of the greatest tourist areas in Canada and those in that industry have all experienced a great boom. Practically all of the hotels and summer places were filled at the beginning of the third quarter of the year, the season when the industry experiences a big boost. I want to give all credit to the government in that regard because income from the tourist industry is going to be up $150 million or $160 million. The industry has shown a deficit for years but this year Canada will likely break even. This is due to the courageous action of the government in pegging the dollar.

But I want to go a little further and point out how farsighted the government has been with respect to the tourist industry. Government support of the tourist industry has increased by 75 per cent since 1957 when the Conservative government came into power. Let us compare this with the situation formerly. In the five years from 1952 to 1957 the tourist budget increased by less than 30 per cent but now we see a great increase in the tourist industry in my riding and all across Canada. The Canadian economy has benefited from the increase in income from tourists brought about as a result of aggressive tourist promotion. From 1957 to 1961 income from the tourist industry increased by 30 per cent, or $110 million, while from 1952 to 1956 the growth was 22 per cent or $62 million. Federal programs that have been carried out have laid the foundation for this increase and the pegging of the dollar gave the industry a shot in the arm in every province in Canada. People engaged in the tourist business realize this and they appreciate what this government has done.

I should like to speak for a moment on medical care. Important and all as medical care is, perhaps we in this house would have to agree that food is more essential. Yet food is still bought and sold in the market place. But medical care seems to have something magnetic about it for the politicians. I wonder how much of this is deep concern for the people's welfare and how much of it is concern for the politicians' welfare? I am not going to answer that question. I am going to leave it alone and let hon. members answer it according to their own consciences. Suffice it to say that Liberal policy over the years has been to advocate medical care and forget it as the seasons change. I well remember when they first advocated it away back in 1919. Now, however, since they appear to be swinging far out into left field, they trot it out again in spite of the fact—I wonder sometimes how short their memories are—that very recently they opposed it in the province of Saskatchewan.

One would think that the socialists here would heed the warning to go slow after the medical crisis they precipitated in the province of Saskatchewan. There is no crisis in medical care in Canada. No one is being denied medical care. As a matter of fact, the Ontario hospital commission report indicates that less than 10 per cent need help in this province. They include the indigents and those with marginally low incomes. No one denies that this group needs coverage by insurance or some other plan. As for the remaining 90 per cent, an increasing majority are becoming insured under P.S.I., Associated Medical Services, Windsor Medical Services and other insurance coverage. So I state that this government is taking a very sensible position in having a royal commission bring in a report on medical care.

Canada is a big country. From the Atlantic to the Pacific conditions vary immensely. They vary immensely in Ontario from the

city of Toronto to the northern part of the province. No physician objects to insurance against sickness. Most of us practise under it now, but we want no interference with freedom of action according to our consciences in treating the patient. That is the way most doctors want things and, let me tell you, Mr. Speaker, that is the way most patients want them.

Mr. Martin (Essex East): That is what the Liberal party will guarantee.

Mr. Rynard: In this way the patient will receive as good treatment as is obtainable anywhere in the world. Furthermore, under this plan it is my firm conviction that no insurance company or group should have a monopoly so far as insurance is concerned.

In my opinion there are a couple of factors that are urgent. I want to bring it to the attention of the house that these are urgent needs. We urgently need more hospital beds, active, convalescent and chronic, in the province of Ontario and throughout Canada. Once we get more chronic beds we can relieve the convalescent, and more convalescent beds will result in relieving the active. But we are in dire need today of active hospital beds, convalescent beds and chronic beds before medical services can be improved. Staffs are urgently needed to man these hospitals. Nurses and other help are required. I want to say, Mr. Speaker, that if we did not have married nurses giving of their time and effort we could not operate the hospitals that are operating in Canada today, and may I say that to do so I know some of these nurses have made a great sacrifice so far as their homes are concerned.

Then, Mr. Speaker, I want to draw your attention to the fact that we urgently need more doctors in Canada. The situation is bad, indeed; but it will be worse because the United Kingdom is getting short of doctors today, and that source will dry up. I want to say to you, Mr. Speaker, that a new medical school is needed in this province to provide 100 doctors more per year. It is estimated that the basic science buildings, the hospital and technical buildings for such a school will cost well over $40 million. The need for doctors is urgent because without them no plan of medical care can be carried out. There is urgent need for more hospitals, more staffs and more doctors. These are the urgent medical problems before the people of Canada today. When I say "staffs" I refer to the technicians, radiologists and personnel staff.

Then, I wanted to dwell for a moment or two on the question of welfare payments. I noticed a reference in the speech from the throne to the fact that a welfare council would be set up to review welfare and social payments. This, in my opinion, is an excellent idea. This matter should be taken out of the hands of the politicians entirely, in my opinion, and these payments should be tied to the economic factors operating in our country. For far too long, the politicians have gone across this country, if not entirely misleading the people, at least attempting to bribe them with their own money.

Mr. Hellyer: Shades of 1957.

Mr. Rynard: Shades of 1962.

I should like to discuss briefly the common market situation. First of all, as a Canadian, I regretted reading the comments that were being reported from the Leader of the Opposition. It is my feeling that when the Prime Minister of this country is engaged outside of this country, whether he is a Liberal or a Conservative, his position should not be weakened by irresponsible comments. He is there representing all Canadians and, in my opinion, he is entitled to the support of Her Majesty's loyal opposition. He should not be hampered and hamstrung or belittled at home and reported at home as doing the wrong thing.

The Prime Minister of Canada, the senior member of the commonwealth, occupied a place of respect and dignity in the commonwealth meetings. Of course, he was the first speaker. Not one country questioned the right of the United Kingdom to go into the common market. The United Kingdom negotiations up to this point had been meagre. Only the African nations had been promised associate membership. No arrangements had been considered for Canada's wheat or the other goods that were traditionally sold to England. Little or no discussion had taken place regarding Australia's goods or those of New Zealand, and New Zealand has been the farm basket of the United Kingdom for years. We recall that Mr. Duncan Sandys assured the Australian cabinet less than a year ago that the United Kingdom would never go into Europe unless satisfactory arrangements could be made for Australia. The chancellor of the exchequer had said that the signing of the treaty of Rome would mean having common external tariffs which, in turn, would mean the end of the commonwealth free entry, and he could not conceive of any government of his country putting forward a proposition which would involve the abandonment of commonwealth free entry. However, little or nothing had been done regarding Canada, Australia, New Zealand, India or Pakistan.

There were traditions in that room where these meetings were held. Twenty two years ago the commonwealth stood alone for civilization. Many of these countries had been through two world wars. The question arose,

would the United Kingdom become greater as the leader of a quarter of the world's people, five sixths of whom are coloured, with different religions and different ideals than we have but with great supplies of raw materials and few skills strengthened by over 100 million of the white group. We have Canada coming to the rescue of the United Kingdom in the war and post-war years with $2 billion of help. Canada has supplied the finest wheat in the world to the United Kingdom over the years. Canada buys $2 worth of supplies for every $1 worth the United Kingdom buys in Canada. Ten Canadians visit the United Kingdom for every person who comes to Canada from the United Kingdom. Canada has more than upheld her end in so far as trade is concerned.

To reiterate, perhaps the United Kingdom, with over 100 million whites in the commonwealth, could be a power that would greatly enrich the free world. The Prime Minister's proposal that there be a meeting of all commonwealth members, the common market countries, the United States, Japan and like-minded countries, was a good one. He graciously offered to play host for this meeting. I should like now to quote the following from *Canadian Saturday Night*:

> It was Diefenbaker's finest hour.
>
> To say that his address was deplorable, as Lester Pearson did, shows a complete lack of understanding of the situation which exists in Britain today. Opposition to the common market is growing rapidly, and it appears extremely unlikely that Macmillan will be able to push through his plans. The representatives of the dominions were wheedled back into line by Macmillan, Sandys and Heath, but their endorsement of the vaguely worded memorandum supporting Britain's stand could not be construed as giving the British government carte blanche. The dominions have not had their final say. Nor have the British people.

Now I want to say a few words about the growing viciousness in public life. It is my opinion that a political conscience must be developed if democracy is to function or continue to function in Canada. Downgrading personal attacks and vilification of the Prime Minister of this country, regardless of his political stripe, are wholly unwarranted and unjustified. They create, in my opinion, a lack of respect for the recognized authority of government and debase the character of Canada. They also tend to dilute the political fervour and love of one's country, an atmosphere that is so necessary to developing young Canadians if we ever want them to reach their potential, whatever their avocation may be.

If these scurrilous, unjustified and untrue attacks keep on developing in the trend indicated, then very few men of high calibre will be seeking public office. I am not saying that leaders in public life should be above criticism. They must accept criticism, which is the essence of politics and political life. However, let us make it constructive. There is no place for destructive criticism or vilification in a country so dependent on exporting 30 per cent of its goods and on the importation of foreign capital to develop its resources fully. Note of this was made by the daily newspaper in my hometown of Orillia.

This paper was founded by Mr. C. H. Hale, who still lives in the city, and who is recognized as a great citizen and newspaper publisher. In fact his contribution to newspaper publication was recognized by the University of Toronto in conferring a doctor of laws degree upon him. His newspaper was finally purchased by the Thomson interests. Mr. Farmer Tissington, now in the press gallery took over. He was already on the staff and he carried on the newspaper with the same high sense of responsibility that was characteristic of Mr. Hale. Then Mr. Tissington went to the Thomson chain at Prince Albert and Mr. James Lamb became publisher, with Mr. Peters as editor. The newspaper's high sense of responsibility to its readers has continued, and I would be most remiss if I did not mention one of the very fine columns contributed to it by Mr. Patrick Nicholson from the parliamentary press gallery. It is from this same newspaper, the Orillia *Packet and Times*, that I wish to quote an editorial in its issue of September 22:

> In the magazine and radio-T.V. field, the grounds are somewhat different. Most of the so-called political commentators who give magazines like *Macleans*, *Saturday Night* and *Canadian Commentator*, and all C.B.C. public forum and political comment programs such a decided leftish slant, are drawn from the same handful of left-wingers whose views range from parlor pink to the sort of fuzzy idealism which is almost a Canadian trademark. To such men Mr. Diefenbaker, with his forthright views, portentous manner and authoritarian leanings is anathema; it is impossible for such men to write objectively of him.

The editorial goes on to state:

> Whatever his limitations, and they are not nearly so many or so marked as his critics would have us believe, history will show Mr. Diefenbaker to have been one of this young nation's ablest leaders. He took office at a time when the Liberals openly admitted they were pleased to get out from under, at a time of apparent economic crisis. His government has introduced a host of measures which have improved the condition of most Canadians, and when the economy was again threatened, he did not hesitate to adopt measures which are proving themselves completely successful.
>
> On his record he merits the respect of Canadians of all political persuasions. The bitter and unwarranted campaign of hatred and ridicule to which he is currently being subjected does not reflect credit on many of Canada's political commentators.

While attending the commonwealth prime ministers' conference Mr. Diefenbaker spoke to the Canadian club in London. I wish, Mr. Speaker, you could have been there. It is one

of the biggest halls I have ever been in, and he delivered a great speech there. He made no reference to the scurrilous attacks being made on him back home, but he built up Canada. Had you been there, Mr. Speaker, you would have been proud to be a Canadian. He stood and spoke to that vast audience on an ankle which could not help but be giving him misery. It was his task to build Canada up, and he did.

Mr. J. C. Munro (Hamilton East): Mr. Speaker, I should like to avail myself of this opportunity to congratulate you on the honour done you in your appointment to the responsible position of Speaker of the House of Commons. I should also like to congratulate the Deputy Speaker on his appointment, and I would be remiss if I did not compliment the mover and seconder of the address in reply to the speech from the throne. As a new member I can truly appreciate what an honour it must have been to the two gentlemen concerned and the satisfaction they must feel in having discharged their duty admirably.

The particular aspects of the speeches which followed the speech from the throne which I desire to discuss are those dealing with the unemployment situation generally, the social welfare program of my party, and observations I have to make with respect to the position taken by the other minority parties, particularly that taken by our friends of the New Democratic party.

On the question of unemployment a brief descriptive background of the character of my riding would shed some enlightenment on my primary concern with this question. It is a riding comprising the industrial heart of Hamilton and also, though to a somewhat lesser degree, the industrial heart of Canada. Undeniably it constitutes the steel hub of Canada. Within its boundaries are situated many major industries such as the Steel Company of Canada, Dominion Foundries and Steel, the International Harvester Corporation, Studebaker Corporation, Westinghouse and Dominion Glass, to mention only a few. Thus it can be readily seen it is an industrial riding comprising to a great extent constituents who earn their livelihood through industrial labour.

The continuity of work undertaken by these firms is of vital concern, not only to their employees but to all the people. A slowdown of production or the closing of a particular phase of a productive process reflects on the success of all those whose earnings are of a derivative nature. The small businessman, the man who provides a service, be it professional or otherwise, is deeply concerned with the degree of success enjoyed by these plants. If one or more of these concerns experience difficulty, whether it be a shortage of work resulting in lay-offs, or whether it be strikes, the ill effects which result reverberate throughout the riding, and indeed throughout the whole city.

One cannot enjoy the confidence of the constituents of such a riding without being in deep sympathy with any policy, policies or party which espouses and embraces this primary premise, namely the betterment of those groups of our citizens who earn their living through physical labour of one form or another. One must realize that the security afforded by continuity of earning power can never be taken for granted by such men. That security is of a far more tenuous nature than one would imagine.

For example, look at the industrial worker. A change in government policy or a change in company policy such as the relocation of one particular phase of its operation, or a slowdown in demand for the company's products, or automation, may result in sudden unemployment with truly grievous consequences not only to the confidence such men have in their country and in our way of life, but even more grievously in the resulting effects of loss of confidence in themselves, irreparable damage to their pride, and damage to the so important and essential belief of Canadians in their own independence and self-reliance, to say nothing of the accompanying hardship which results to the family of an industrial worker when he experiences sudden unemployment. His is a family who do not deserve to suffer, a family who deserve, in a country such as ours, all the essential benefits like proper shelter, nourishment and education. That such essential benefits should be so completely predicated on the constant employment of the breadwinner is a thing which should give us all cause to reflect. Unemployment insurance is but small alleviation for such a devastating toll.

This picture is further aggravated by the fact that an industrial centre such as Hamilton is a focal point in the settlement of many recent arrivals to this country, and without adequacy of employment opportunities these people become disillusioned with the capabilities of this, their new country. This initial disillusionment is hardly a healthy initiation into what we regard as our Canadian way of life.

Unemployment is a serious situation in the country. It is reflected in the city of Hamilton today and can be readily ascertained by an examination of the following facts. First, in the month of July, 1961 there were over 7,000 on the relief rolls of the city of Hamilton; this in the supposed peak of our employment

period. This does not even take into account all those unemployed persons receiving unemployment insurance benefits. The bill for providing this very necessary relief was over $3 million for the year 1961, over $1 million of which had to be borne by the city.

Second, home construction is presently grinding to a stop, with the resulting unemployment of contractors, labourers and tradesmen of all manner and kind. Third, lay-offs have occurred and are occurring in our principal industries. The monumental failure of this government to take any constructive measures since it first obtained office in 1957 has been amply dealt with since the opening of this session. Needless to say, the lack of any co-ordinated plan for future economic development, the tight money policy of the present government, with its accompanying high interest rates and the abandonment of many public works, are retrograde steps and ones which will only have a tendency to increase this unemployment which plagues our country. Yet this is the party that held out such radiant hope to the people of this country that the plague of unemployment would no longer visit our land.

The inadequacies of the Conservative government have been so thoroughly dealt with in this house that I think this would be an opportune time to look at the position of the New Democratic party in relation to government policy. May I say now that I share the respect of hon. members for the many distinguished and able men of that group, many of whom have proved themselves, in every type of forum, able and articulate debaters.

Their repeated utterances in this house, however, would lead one to believe that only they, fully and sincerely, reflect the aspirations of the Canadian people; that only they embrace the social ideals so necessary for those Canadians who do not share to a sufficient degree the wealth of this country. Their somewhat sanctimonious attitude would seem to pre-empt all the political virtues unto themselves, to the exclusion of all others. This attitude can, and does, become tiresome. It would lead one to believe that they and they alone are solely fit to carry the torch on behalf of those people who do not adequately share in our abundance, that they and they alone are the sole proprietors of political morality. So jealous do they appear at times that one might even suspect that they resent the fact that any adherent of any other organization or group, be it political or otherwise, might desire to champion the cause or causes which they, our friends, have appropriated unto themselves.

The record of my party in the field of social welfare has been a constructive and tangible one over the years, and one of which I, as a Liberal, am justly proud. To name only a few: veterans allowance legislation, family allowance legislation, allowances for the blind legislation, old age pensions legislation, phase 1 of the hospitalization plan and in 1956 phase 2 of the hospitalization plan. This only mentions a few. The Liberal party, over the objections of some in this house, were the party that actually implemented this social welfare legislation which is so integral a part of our everyday life today.

Yet were one to read the text entitled "The New Party", the author of which is the hon. member from Winnipeg North Centre (Mr. Knowles), and were one to be unfamiliar with Canadian history, I am sure he would come to no other conclusion than that the C.C.F. party formed a government in this Canada of ours during the years in which this social legislation was implemented.

Mr. Speaker, I would quote a paragraph from page 12 of that text as a leading example of a tendency toward plagiarism indulged in by the hon. member from Winnipeg North Centre. It is as follows:

> It is generally known that old age pensions were first enacted in Canada in 1926 and that this important social advance was achieved then only because J. S. Woodsworth and a few colleagues held the balance of power in the House of Commons. It is also generally known that the promise to bring in old age pensions had been made by the Liberal party at its convention of 1919.

That last sentence, Mr. Speaker, would seem to be a half-hearted endeavour by the hon. member from Winnipeg North Centre to be objective. Yet to involve oneself in a dispute as to who was the initial author and as to who first implemented such legislation that is so widely accepted today is a childlike discussion. It would then appear that both parties are grappling for the handle of the torch of social change. It would leave one with the distasteful thought that the two parties are more concerned as to who is to acquire the most progressive public image than in a true implementation of the policies necessary to bring about a greater degree of social justice in this country.

I have heard with interest the comments made by the hon. member from York South (Mr. Lewis) and others of his party in their addresses following the speech from the throne. The comments I am referring to are those dealing with the Liberal party, many of which I consider of questionable accuracy. A few examples would be the following. The hon. member from York South stated:

> I have noticed in recent speeches by spokesmen for the Liberal party that they too say their goal is a balanced budget. I urge this house to reject this outmoded and harmful proposition at this time.

Mr. Speaker, the actual position of the Liberal party, if my friends in the far corner would care to examine it, is that, yes, the Liberal party is for a balanced budget in prosperous times and in times of full employment. The same hon. member, after condemning the Conservative government, went on to say this about the Liberals. Referring to our health plan, he said:

> I call it now a thorough-going sham and a shameful surrender to vested medical interest, because what does that health plan offer? It offers free health services for the aged, the pensioners. If I remember the words correctly, and I am sure I do, the plan said for some of the aged, and never explained what the word "some" meant. I've always assumed that it meant some kind of means test. It offers free medical service to young people under the age of 16. The rest of the community between 16 years of age and the old age pensioners, if I remember the words correctly, are to pay substantially less than half the cost of the medical services; presumably the government would pay substantially more than half.

The hon. member went on to state the hardship involved in such a plan for a worker who earned $3,000 or $4,000 a year. This statement, again, is of questionable accuracy and it is fortunate that the hon. member qualified his remarks with the words "if I remember the words correctly".

An examination by our friends in the far corner of the brochure put out on health care by the Liberal party would reveal these words. The quotation I am now going to give is referring to all Canadians who are not retired, who are not under the age of 16 and who are not unemployed, who will unquestionably receive the benefits of medicare without any contribution:

> For all other Canadians, the plan will cover all doctors' bills above a low annual cost. There will be no charge to anyone who does not go to a doctor. Liberal action will take fear out of health costs. The maximum amount of doctors' bills that anyone will be required to pay will be small; but it will be a safeguard against unreasonable demands for attention.

There, I suggest, is the fundamental principle involved, that the payment contributed by employed persons between the age of 16 and retirement age will be small for the purpose of providing a safeguard only.

The brochure went on to explain how the government would bear the cost and underwrite the expenses of such a program. It is one thing for a party to promote a social welfare program and it is another thing for the party to undertake the responsibility of showing the people how it shall be paid. This latter undertaking by the Liberal party it was, and is, with responsibility and courage, prepared to meet.

An hon. Member: How?

Mr. Munro: It is all in the pamphlet, if you care to read it accurately.

I suggest, Mr. Speaker, this is considerably more than can be said for the program advanced by our friends in the far corner, who never quite seem able to meet the added onus of explaining how their programs are to be financed. This same hon. member, presumably referring to the Liberal brochure to which I have just referred, must have been referring to this statement in his comments. I quote from the pamphlet:

> They—

"They" is referring to the payments made by individuals for the Liberal health scheme:

> They will be designed to cover rather less than a half of the total cost of medical care.

The hon. member for York South did not see fit to quote the sentence immediately preceding that. That statement reads as follows:

> How these payments—

Again referring to payments by individuals

> —are made will be arranged in agreement with the provinces.

The brochure went on to say that the federal government will pay the rest of the costs from general revenue. For the hon. member to suggest on the basis of such wording that the plan means that a worker earning $3,000 or $4,000 a year would be required to pay half the cost of medical services is a completely unwarranted interpretation. The pamphlet clearly states that with respect to the amount of less than half the cost not incurred by the federal government arrangements will be made with the provinces. How the wording of the brochure could possibly lend itself to the interpretation given by the hon. member for York South is beyond any powers of objective reasoning.

Again, though the hon. member referred to the program as a thorough-going sham and called it a surrender to vested medical interests, it is worth while noting that he did not care to go into the reasoning establishing such a sweeping generalization. By going into these matters, Mr. Speaker, I hope in some degree to have explained with accuracy the program of the Liberal party and, to an extent, to have defended it against baseless attacks.

Some of the comments made by our friends in the far corner—I have referred to several of them earlier, and I shall refer later to others—lead one to wonder whether that group has forgotten that the Liberal party has not been in power for the last five years. At any rate, sweeping generalizations of a condemning nature, together with name-calling depreciations, are always looked upon, fortunately, by the public with a degree of suspicion and

scepticism. Such statements, together with one to which I will refer later, are neither fair nor particularly objective. They would certainly not be conducive to that spirit which the hon. member for York South found so lacking when he was prompted to say:

> I thought of all those problems, sir, and I felt desperately sad because the speeches of the leaders in this house overwhelmed and drowned those problems of life and death in a flood of irrelevant banalities and petty political prattle.

I imagine that when members of that group in the far corner conceive speeches such as this containing statements such as I have just quoted, to say nothing of references to our indecent hunger and dismal acts of yesterday, these must have been some of the thoughts which ran through their minds: "Everyone knows we are perfectly capable of rendering effective speeches dealing with the incompetency of the government in power as was so effectively done not only by our leader, Mr. T. C. Douglas, but by ourselves prior to June 18. But lest anyone misinterpret our remarks we must be equally deprecatory of the official opposition lest the people of this country should take our remarks respecting the government so to heart that they may throw the rascals out, though, not alas, to replace them with our party. No change will we accept, no change will we tolerate, unless it be the change that we want in the manner and to the degree we want it."

Could their thoughts have continued, then, in the following vein? "Even more distressing is the thought that should the people see fit to retire the present government and substitute those unrepentant Liberals, the authors of the dismal acts of yesterday with their indecent hunger for power, they, these Liberals, might implement the social welfare proposals of which their leader, the Hon. Lester Pearson, spoke only so recently. Should this event occur it may be accompanied by the horrifying conclusion on the part of the Canadian people that the necessity for the existence of our little group is superfluous."

Then I imagine their thoughts went on: "To prevent such an unpalatable result, we of the N.D.P. must continue at every given opportunity to rout through the pages of the past, examine in detail all past grievances against previous Liberal administrations and incessantly lay them at their doorstep. We must open every closet hoping to discover skeletons; we must become such experts on the historical background of that party that to every constructive proposal from those Liberal benches we may never be at a loss to indulge ourselves in our now famous and joyous but hardly constructive pastime of saying 'why didn't you do it before?' Times change, things change, ideas become outmoded, parties change—some parties even change their names. Manifestos become outmoded but we must not allow those Liberals to change or adopt new policies, especially if we consider that to be an invasion of our own hallowed ground, lest we be forever relegated to one little corner of this house destined forever more to reflect on the mouldy pages of the past and indulge in our piteous yelps of 'you don't mean it, but we do.'"

To be completely ungracious one might reflect upon the criticisms of the Liberal position made by representatives of the New Democratic party on the subject of the speech from the throne. Everyone knows that the leader of the Liberal party, like his supporters, was critical of the present administration prior to the election. Indeed, the Leader of the Opposition indicated before the speech from the throne was forthcoming that the Liberal party had no confidence in this government. The hon. member for York South used the following words in the course of his speech:

> Indecent hunger for power shown by the Liberal party in its announcement of a no confidence motion even before parliament met was, and is, thoroughly irresponsible. Indeed, I say to you, Mr. Speaker, that if one was unhappy with the bareness of the throne speech one was equally unhappy at the absence of any positive proposals in the speech of the leader of the official opposition.

Are our friends of the N.D.P. suggesting that the Liberal party could justifiably and sincerely indicate confidence in the present government in view of our criticisms, irrespective of whether they were made before parliament met or not? Are sincerity and firm conviction no longer included among those ideals for which our friends in the far corner are prepared to fight? Despite some recent disillusionment, I am still reasonably convinced that had they been the official opposition they would not have repudiated their own election statements by voting confidence in this government. Let us examine those statements. This is what Mr. T. C. Douglas said at Peterborough on June 16 referring to the 7 per cent level of unemployment:

> Mr. Diefenbaker's promise and forecast of today were as meaningless as his practice and policies during the last four years.

Speaking of the devaluated dollar, Mr. Douglas, went on to say:

> Sixty seven per cent of Canada's imports were from the U.S.A. A sharp increase in the cost of living in Canada could be expected soon because of the dollar devaluation.

And he continued:

> The present government has set the stage, through devaluation, for higher interest rates and a tight money situation.

Now let us look at the position taken by the N.D.P.—if you can call it a position—immediately following the speech from the throne and let us consider it in relation to the position taken by the Liberal party. We all know now that our friends in the N.D.P. did not support the government in the recent no confidence motions. However, I think we can all agree that up to a day before the no confidence votes were taken Canadians had the impression that the N.D.P. was in fact prepared to support the government. This impression, I think most people will agree, could easily be obtained from an examination of the statements made by the N.D.P. house leader when he opened the debate for that party in reply to the speech from the throne. At that time he stated that members of his party had done their best to receive the speech from the throne with broad minds and in as charitable a fashion as possible, but it had been very hard. He then proceeded to talk about the Columbia river treaty and to state that he hoped he would have the opportunity to deal with the abolition of closure prior to the introduction of that treaty, thus truly indicating his expectancy that the government would survive the debate on the address. Not once did he indicate what position his party would take with respect to the amendment moved by the Leader of the Opposition in his earlier speech.

To fortify this impression still further, let us examine the statements made by the leader of the N.D.P., Mr. T. C. Douglas, following the delivery of the speech from the throne. I quote from the Toronto *Star* of September 28:

> N.D.P. Leader T. C. Douglas scorned the throne speech but said his party's plan was to support Mr. Diefenbaker "until we hear further about the proposed plans of the government".

Then Mr. Douglas went on to tick off the present government as follows: first, that the throne speech with its promise of a balanced budget smacked of putting a sound dollar above human welfare; second, that the speech from the throne read like the kind of document you would expect in prosperous times; third, that it was not possible, or at least seldom possible, for a government to stimulate real economic growth without some kind of deficit financing. Then, lastly, the N.D.P. leader said that the speech contained no proposals on trade, and declared that it was hard to see any concerted attack on the lack of economic growth and unemployment. So there you have it. That is an indication that he would support the government until he saw how it developed the proposals made in the speech from the throne, at the same time severely criticizing the speech from the throne, a very agile balancing act indeed.

To fortify further this impression, let us refer to the comments made by the hon. member from York South when referring to the Liberal party. He stated, as reported on page 189 of *Hansard*:

> —the indecent hunger for power shown by the Liberal party in its announcement of a no confidence motion, even before parliament met, was and is thoroughly irresponsible. Indeed, I say to you, Mr. Speaker, that if one was unhappy with the barrenness of the throne speech, one was equally unhappy at the absence of any positive proposals in the speech of the leader of the official opposition.

Then he went on to say in a somewhat contradictory manner:

> —but I say in all earnestness, Mr. Speaker, that the brave Liberal speeches of today stand in distressing contrast to their dismal acts of yesterday.

At this juncture, Mr. Speaker, it is entertaining to think what the position of the N.D.P. would have been had the leader of the official opposition seen fit to indicate a wait and see attitude as a result of the speech from the throne; and had he not been so adamant and sincere in his beliefs that this government was not worthy of confidence, as the Canadian people had expressed, and supported the government, this action on our part would undoubtedly have allowed our friends in the far corner to wax eloquent on that old refrain: "There you are, you see, the two old parties together; there's no difference".

So there you have it again. After the speech from the throne, the N.D.P. leader, when asked outside the house, indicated that he would support the Conservatives until he heard something more definite. Then there was the non-committal speech of the N.D.P. house leader, the hon. member for Kootenay West (Mr. Herridge), and then the speech of the hon. member for York South about our irresponsible acts. No wonder the country thought the N.D.P. would support the government.

Then something happened. I wonder what it was? Could it be that when the Social Credit party finally decided to reveal their hand and support the government, the N.D.P. did a quick double take and decided to aid and abet our "indecent hunger"? Was it only then that they decided to become a party to our irresponsible acts? Surely if we Liberals are to be condemned for stating that we had no confidence before the speech from the throne, then are our friends in the far corner not to be all the more condemned for predicating their vote, not on a matter of principle, not

on the basis that the program of the government failed to further or enhance the worthy principles which they advocate, but solely on the basis of the political manoeuvring of our Social Credit friends?

Mr. Speaker, it has been enlightening indeed to observe the political gyrations of the N.P.D. up to and after the time of the fateful decision of the Social Credit party. That this house could receive such a lesson in the art of base practical and political manipulation from such a band of idealists would lead one almost to believe that they had feet of clay. Perhaps now that the hem of the white robes of purity of our friends in the far corner is besmirched by the stain of base politics, they can join fully in the deliberations of this "house of sinners".

Mr. Speaker, what I hope my comments have been directed to—and perhaps now our friends in this house, and especially in the far corner, can look constructively and with a long range view at the program of this Liberal party—is to the end of ridding this country of diverse and multitudinous minority groups which, aside from contributing to political and economic instability, are a sign of political narrowness of thought.

Mr. Speaker: Order. I regret that the time allotted to the hon. member has expired.

Mr. Heath Macquarrie (Parliamentary Secretary to the Secretary of State for External Affairs): Mr. Speaker, in the three minutes before the hour of six I have the rare privilege of congratulating you upon your installation in this most important office in our chamber. We have been impressed in the last few days with the fine impartiality of your judgment and the incisive clarity of your rulings as we have carried on our deliberations. I would express the hope that you, sir, will remain in this lofty position for a long time.

I should like to say too, Mr. Speaker, how very pleased and proud I was of my new colleagues, the mover and seconder of the address in reply to the speech from the throne. They spoke well. They expressed sound views. They delivered themselves in a most splendid way. I thought that the mover was indeed a good and worthy successor to his father, whom many members may recollect. I also thought that he was a worthy successor to a man who was a friend of us all, the late Bill Anderson.

To the seconder I extend a particular congratulation because of his felicity in both languages. I have studied French for a great many years and every so often in this chamber I decide that perhaps I will essay forth and speak a few words in French. Then I think how well I regard the French-speaking people and how much I believe in bilingualism. I decide that these feelings could not stand such an assault and I revert again to English. But the seconder set a fine example. I was very pleased, and I wish for him and for the mover a most successful and long tenure in this House of Commons.

Now, Mr. Speaker, to retain my popularity with my colleagues may I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Macquarrie: Mr. Speaker, he would be insensitive indeed who did not regard this present parliament at this stage in our country's history as a most significant and momentous assemblage of our nation's representatives. There have been time as I have sat here that I have been filled with feelings of disquiet and I have noted similar feelings have been expressed by some other hon. members. I quite agree with the remarks made by the hon. member for Simcoe North (Mr. Smith) this afternoon when he repudiated the suggestion that a "dreary recital of the needs and interests of one's constituency" was not what should be taking place in parliament. Parliament is a place certainly where the cut and thrust of vital debate is exhilarating and appealing and we all enjoy those moments of drama when this intensity takes over.

Parliament is certainly a place for argumentation; but it is much more. It is a chamber for legislation, for deliberation, for that sober and serious reflection and expression of the views and thoughts of the people of the nation. It is not designed for the entertainment of the press gallery. It is designed to express the will of those who have sent us here. If parliament should ever lose its vital ingredient, its representative character, or if that role should fall into disuse, then we can believe that the fundamentals of our democracy are thereby undermined.

I am always interested to hear what the people in the various constituencies have on their minds. We were all enlightened and perhaps a bit horrified by what the hon. member of St. John's East (Mr. McGrath) told us this afternoon. I regret that such a recital had to be made yet I think it was in the interest of strengthening of this parliament that it was made. It is not for me to make

any partisan comparisons but I should like to say that the Leader of the Opposition might well remember the kindly, courteous and generous treatment tat he received at the hands of Premier Shaw of Prince Edward Island. It was a different story there and it always will be a different story because in a free country where political action is free and untrammeled those who seek political office are welcome. We are glad to have people of all parties come to Prince Edward Island. We do not want our people to vote too heavily for some of them but they are welcome and they will be given all the courtesies of free speech. Also, it is not the same in Newfoundland.

While I am disquieted by some of the things which might take place and which might seem to be taking place here, I am sometimes concerned about my own judgment. I thought at one time that the major opposition party was determined to have an election as soon as possible, but when I heard their spokesmen strike out in this direction and then in that direction to castigate their potential allies in any vote in this house, I wondered if I was right in assuming that their intentions were as they are sometimes expressed.

But if there are reasons for disquiet, there are reasons for satisfaction and comfort because I believe that the very closeness of this house is going to save the country. The Canadian people, having seen that the once great Liberal party has come so close to office, are watching as never before its performance in opposition. I think they will look carefully at that apparent lust for power, that desire for immediate possession of office which surely must be the motivation of many of the utterances which we have heard during the election and since the assembling of this parliament.

I thought that in 1958 the decisiveness of the election was caused by the fact that the people were able to compare clearly and vividly the records of the two parties because they could remember the former administration after such a short space of time. Now, happily, this same opportunity for clarity of view has come forward and this is a reason, I think, for comfort to all Canadians. I agree heartily with the last speaker for the Liberal party who spoke about the name calling. I think he is quite right and the Canadian people will depreciate and view with suspicion such tactics. As he is an able speaker, I would suggest that he might perhaps repeat those remarks in his own caucus.

I have noted and Canadians have noted that this intense yearning for office does not express itself only in the denigration of the Leaders of this country. It will allow itself to go so far as to make expressions and repeated expressions which cannot but diminish their country itself. It pains me that a man of the international repute and prestige of the Secretary of State for External Affairs (Mr. Green) should have his ceaseless efforts in all parts of the world so castigated and criticized for mere partisan gain. I have seen that man in international conferences. I have heard times without number expressions of the high regard of representatives of other countries. There is much I could say on that matter but I will rest my case very simply on an editorial in one of the great newspapers of the maritime provinces, the Fredericton *Gleaner*. In referring to his splendid speech at the United Nations general assembly about ten days ago it declared that "the Secretary of State for External Affairs truly represented the Canadian people in his remarks and spoke for us all, as always."

There is another thing that concerns me. I have the honour to represent the cradle of confederation, the city of Charlottetown where in 1864 this nation began. I look upon the development of Canada as a prototype of the development of the commonwealth and I am amazed, a little bit shocked and perhaps a bit amused to discover that, in the tremendous desire to discredit, someone has even picked upon the commonwealth as a part of a strategy to weaken the prestige of the present government and to enhance the fortunes of another political party. It seems to me that the gains which the main opposition party made in the election of June 18—they were significant I must admit, and I would have been happier had they been less—are being overborne by a faulty and unwise strategy. They are going to limit the electoral advances of this party.

Who would have fastened upon the commonwealth as a weapon to belabour the Conservative party? I am not one of those who is a narrow or bitter partisan. I do not believe that any one political party, not even this one away to the right—geographically to the right—has in its bosom all that is good, perfect, wise and profound. But the Conservatives, throughout this nation's history, have been in the very forefront of the development and extension of the commonwealth. It was Sir John A. Macdonald, and I will admit that it was not he alone, who was the founder of this great nation, this assembling of diverse and separated colonies. It was Sir John Thompson who in 1894 brought to this city the intercolonial conference. It was Sir Robert Borden who, though his dogged determination and high sense of Canadianism, brought us from the status of a

colony to that of a nation and truly earned for himself the appellation of the architect of Canadian nationhood. It was Arthur Meighen who spoke wisely and realistically in 1932 at another imperial conference. I must say to my friends that he was treated as the head of a government should be treated when he was abroad, of course, when he came back he was accused of being a mouthpiece for Washington by the same people who once spoke of him as the lackey of Britain.

It was in 1931, under the government of R. B. Bennett, that the Statute of Westminster became recognized as the charter of our independence. It was in 1932, in this very place, that a great economic conference was held, the fruits of which have a profound effect on our trade pattern to this very day. In 1961, after the commonwealth had grown to include Asia and Africa, after the question of the equality of nations in that commonwealth had long since been disposed of in a large measure through the vigour and wisdom of Conservatives, who gave leadership on that new and important question of the equality of peoples within those nations? It was the Prime Minister of Canada. I would commend to those who seek to advance themselves by denouncing the head of this government, the attitude of the Vancouver *Sun*, a newspaper which I do not often read and which I do not think is one of ours. They said, speaking of the conference, when it came time for men of courage to stand up and be counted the Prime Minister of Canada was the first man on his feet.

Then, at the commonwealth prime ministers' conference this year, that unique gathering of statesmen of the modern world, who gave leadership? Ask the commonwealth statesmen who were there, or read the communique. Yet, he is criticized, and for what? He was criticized because, sensing the essential nature of the commonwealth, he spoke freely; and as a Canadian he spoke wisely. The commonwealth is an assembly of free nations. It was Borden, many years ago, who stood up and said, "I am always for the British Empire," as it was called then, "but within the empire I am for Canada first." Is that the kind of attitude for which a Canadian statesman should be criticized? I think it would ill-behoove any leader of any party to go abroad and adopt any other attitude. It has amazed me how, in recent months, the Liberal party can be so sure it has all the answers on the question of the European common market, that most difficult, delicate and complex economic assembly. The people of Britain themselves and their leaders are sorely torn as they ponder the proper steps to take at this time. Yet, there are those here who know exactly what Great Britain should do.

I look, too, with pride upon something more that took place at that conference. There was a further extension, as I see it, of this commonwealth ideal, so well nourished and nurtured by Conservative statesmen throughout the years. I refer to the development of a more broadly based trade relationship, centred on the commonwealth but not confined to the commonwealth. This again was a Canadian inspiration by the present head of the government of this country.

I should like to say much more about these things, but there is a question that I have been asked since I have come back to this house. The question is: how is it that in the face of the events of June 18 your province clung so vigorously to the Conservative party? This is a question I am proud to answer. There are many answers, but the overriding one, of course, is that this government has met our needs, has enacted policies for which we have long cried out and which were so long denied. As a former Liberal premier of my province used to say, they never gave the maritimes more than half a deal. I will not weight *Hansard* with statistics, but I will point out one which is eloquent. In 1956-57 our little province received from Ottawa in conditional and unconditional grants, $5,048,000. Do you know what the figure was in 1960-61? It was $12,491,000. The people of my province are as shrewd and canny, if I may use that island word, today as they were in 1867 when they refused to join confederation until they found it solidly in their interests to do so. When they remembered what was done by some parties, and more significantly what was not done by some parties, they cast their vote as we saw on June 18. This was but one phase of the new measures. I will not call it generosity, I will call it justice, I will call it Canadianism.

We have the same situation in connection with our transportation. Hon. members here know that no Prince Edward Island member could make even a short speech without mentioning transportation. We have now more ferries making more trips and carrying more people than ever before in our history. We are very proud of the fact that we never had such service. We never had so many people coming to our province as we have had lately. Our province has 100,000 people, but this past summer we had a million tourists. A new boat, provided by the Minister of Transport (Mr. Balcer) after some nagging by my colleagues and myself, but not too much,—he was very co-operative—moves across the strait from New Brunswick to Prince Edward Island in less than 40 minutes. This is the fastest service on record.

Then someone has mentioned the causeway. I mentioned that causeway a good many times. But we have our commitment in that connection. We were told at the time, as the house records will show, how long it will require for the studies which must precede the eventual construction. I hope that all hon. members in this house will come across that causeway before too long. Just the other day we had the announcement about the Wood island ferry which will tighten the links between my hon. friend from Pictou and myself. It will ply between the two provinces and will be another milestone in the vital field of transportation.

Of course, Mr. Speaker, we were delighted with the ARDA program which will bring some $1,359,000 to Prince Edward Island to develop, expand and improve our basic and oldest industry in our fertile garden province. But one of the things we do not do is dwell in the past, and that is the best of being both a progressive and a Conservative. We are looking forward. The throne speech is filled with forecasts of much sane, sound and sober legislation, but I must say that thing which appeals to me most is the announcement of the establishment of the Atlantic provinces development board. This is something we have sought for a long time.

The government has given attention to our immediate needs through the Atlantic provinces adjustment grants, and through increased subsidies; but, as I said in my very first speech in this chamber in 1957, we want an opportunity to help ourselves in the Atlantic region, and this new board will enable us to do that.

A great man in our region, Dr. Wardell, in his convocation address at the University of New Brunswick the other day, centred his remarks on this very item in the throne speech. He said:

> We are then, at a turning point in the history of the maritimes. We are about to take a new course which will lead to a fair sharing of Canada's heritage.

I agree with that and I believe the premiers of all the provinces in the Atlantic region agree with it, although I was not quite sure what the premier of Newfoundland meant when he commented on it. The development board is something which we spoke about and sought during our Atlantic province candidates meeting in Charlottetown last spring, and we now applaud the government for its initiative in this regard.

We in Prince Edward Island welcomed the devaluation of the dollar. The hon. member for Simcoe North (Mr. Smith) has said that the hon. member for Davenport (Mr. Gordon) helped him during his election campaign by some of the things he has said or written. He helped me also, because when I was trying to convince the electorate that the devaluation was what we needed I could quote from the hon. member for Davenport, and I may say I did. The devaluation of the dollar has had one direct consequence in bringing us the finest tourist season in our history, and it has also helped our two basic industries, agriculture and fisheries. The devaluation of the dollar was a splendid, spirited move which has been economically beneficial to our people. In this connection I was happy to note in today's Toronto *Telegram* that an outstanding financier, the president of the Toronto-Dominion bank says:

> The Canadian dollar crisis is over and while some problems remain to be solved they are not insurmountable.

He went on to say that confidence in the Canadian dollar would continue to grow since the recovery of the nation's foreign exchange reserves.

Mr. Martin (Essex East): That is not what the Minister of Finance says.

Mr. Macquarrie: The people I have the honour to represent have expressed their confidence in the financial and other policies of the government and, as the days lengthen and as time passes in this parliament, I am convinced they will re-ensure themselves in the confidence they have expressed. Like those in many other parts of Canada they will look again at the two great national parties. They will look at the party of which I am a member, which is still the only party with representation from all provinces. They will look at the discharge of its duties in difficult times —of course we have difficult times in a country like this—and I am confident as to the party in which they will place their trust.

Public life is not easy. Indeed it is onerous. Sometimes I suppose we all entertain the thought that it is a little too burdensome. But the thing which prompts me to continue, and comforts me, is that one can see that that part of the country which one represents and loves has had something done for it and its people through the policies of the party he supports.

We in the Atlantic provinces have had our difficulties. We have had our grievances. The whole subject of maritime plans is pretty hoary now, but never since the far off days of the nineteenth century have we had a government which looked at our difficulties straight in the eye and moved quickly, courageously and effectively to deal with them. It is because of that, and not because of any fondness for the party label, that the Atlantic region has placed its confidence in this government. It is because it has done well for us and by us.

Mr. J. E. Walker (York Centre): Mr. Deputy Speaker, at the outset I want to congratulate the house on its choice of Speaker when it called upon the man who usually sits in your chair to serve further the interests of our country by acting as our arbiter and as guardian of the moral and spiritual principles upon which our parliamentary democracy rests. I believe I may be forgiven if I make reference to my political ties with Mr. Speaker's constituency of Edmonton West, which he so ably represents.

My interest and participation in politics started in that wonderful and friendly city of Edmonton back in the early thirties when, fresh out of school, I took an active part in the campaign of the Hon. Charlie Stewart, who some hon. members present may well remember. As a boy in Edmonton I earned my pocket money by delivering what has turned out to be a most politically enlightened newspaper, the Edmonton *Journal*; and not too many months ago I would have willingly distributed that paper without charge.

I also want to thank the Prime Minister for the personal interest he took in my efforts, as far back as July 29 of this year, to have the people of Canada, through the government share the burden and tragedy of the thalidomide babies. There has been some considerable correspondence between the Prime Minister and myself, and it was on his suggestion that I delivered a brief to the deputy minister of health and welfare for consideration when he convened the national meeting of health officials to study the problem.

In these cases the machinery of government never moves fast enough to satisfy a a member who has become personally involved in a human tragedy of the scope and intensity of the thalidomide disaster, and I impatiently wait for the good intentions expressed at the conference of provincial and federal health officials to provide concrete and specific proposals which will relieve the anxiety and heartache of the parents of thalidomide babies. I will not be satisfied, and in this I am supported in a non-partisan way by the three Toronto daily papers, until the federal government assumes the full, final and ultimate responsibility of organizing and putting into effect a comprehensive plan of present care, future rehabilitation and financial assistance for the victims of the drug thalidomide, with or without the participation of all the provincial governments. In this way the Canadian people may be given the opportunity of becoming, as it were, the godparents of the victims of a dominion wide tragedy. This whole affair is too personal a grief for thalidomide families for any party in this house to attempt to use it in any manner as a weapon with which to pound the government, and I suggest that anyone who would endeavour to do so will bring on himself the disgust of all decent people.

Mr. Speaker, I am sure these remarks will be concurred in by a particular member on the government side of this house and by my colleague from York West (Mr. Kelly), who were ready to accompany me to Ottawa at their own expense in a bipartisan effort to see the Prime Minister and lay before him all the facts. Incidentally, Mr. Speaker, I believe the drug companies involved have escaped all too lightly the share of responsibility that may be theirs. As my brief pointed out, in the year ending June 30, 1962 the net profit of Richardson-Merrell, Incorporated Drug Company rose to $17,250,000 from the previous year's profit of $17,025,000. A substantial annual contribution to assist in relieving the disastrous effects of one of their products, thalidomide, could very easily be set aside from such profits or from their massive advertising budget.

For those in this house who may not be acquainted with the large and vital riding of York Centre which I have the honour to represent, I will simply say that it is the second or third largest by population in the whole of Canada. As well as being part of that lusty giant of a township, North York, which is the largest of metropolitan Toronto's 13 municipalities, York Centre has the good fortune to contain within its borders the historic settlement of Woodbridge, part of the charming village of Thornhill and a large rural area of Vaughan township. So we have a variety of people with diverse interests and backgrounds, and a wealth of human talent which is placed at the service of the community through our many service clubs, church groups and ratepayers organizations.

We are a sports-minded people, and because of the inspiration and splendid example which a certain red-headed member of the Toronto Maple Leafs has provided to the thousands of young people in our minor hockey leagues in York Centre, we are able to completely understand the devotion and loyalty of our Quebec brothers toward that other great Canadian sportsman, Maurice (Rocket) Richard.

Of great assistance to those of us who have lived there longer has been the decisive contribution of vitality to the development and growth of York Centre provided by the thousands of Canadians born abroad, most of them coming to Canada in those good Liberal years. These people have now moved into York Centre and brought with them their great skills and abilities. We need more of them and one can only fervently pray that

one day soon Canada will have an economic policy and an immigration policy that makes it possible for us to welcome many thousands more to this land of freedom.

The particular genius of York Centre's substantial and older Jewish population for scholarship, the arts, professional life and philanthropy has led them to contribute in a measure far beyond their numbers to the cultural life of my constituency. So we are a heterogeneous group, but somehow held together by our common desire to build a better community in our corner of Canada.

Mr. Speaker, it is not only this minority Conservative government's reputation that is at stake at this time—and believe me, it is at stake—but there is something of much greater importance about which I want to speak, although the government's reputation has a direct bearing on this other matter, and that is the question of the confidence of Canadians in the ability of our free parliamentary democracy to supply the answers and chart the course for the great social changes that are now under way in Canada.

We have not been untouched by the world wide currents of change. Country after country has been caught up in the gruesome side effects of leaderless social revolution, and my major criticism of the government is their failure to recognize and accept the responsibility of providing the courageous and inspired leadership we need if we are to escape the consequences of leaderless change.

It is trite to say we are living in a revolutionary age, but I am not sure that everyone on the government benches, including—especially including—the front benches, realizes what this means in Canada in 1962 and what it will mean in the immediate years ahead. Canada's revolution is still contained inside people; but it is in there, and it is bubbling away and slowly raising the temperature. People are becoming sore and disgruntled, fearful and insecure; the unemployed, the small businessman, the importer, the debt ridden worker, the worried parents of sick children and the pensioner who cannot make ends meet. They want a change and they are determined to get it at any cost. If our parliamentary democracy, Mr. Speaker, will not provide the answers—and I have become convinced it never will, under a Tory government—then our Canadian people may well try some other form of political system in their despair and frustration; and if they do, the failure will be ours.

Mr. Speaker, I would not be sitting in these Liberal benches under the leadership of the next prime minister of Canada if I did not believe that true liberalism is the only political philosophy capable of understanding and leading the social changes that face Canada. My deep conviction is that liberalism, with its concern for the free individual in a free society, is the only safe yet dynamic political ideology for Canada at a time when the unity of Canada is so essential.

Since the hon. member for Algoma East (Mr. Pearson) took over the leadership of our party, I believe, and I sincerely believe that the greatest thing he has done for all of us and for Canada has been to demonstrate and point the way to the new liberalism adequate to meet the social and economic needs of people in this twentieth century. These are broad new concepts, but on the same bed rock base of principle. We change or we perish. We are a party of change and reform, not chained to doctrine and rigid limitations of nineteenth century policy but ever looking ahead to the solutions of the great social and human problems of our people and mankind.

This man with the incredible courage that only a statesman of his long years of experience could demonstrate has given us all once again a sense of urgency and understanding of the real issues facing us and the hope of an answer. Mr. Speaker, this is why the younger people flock to his side. They can believe him; they can trust him, and they instinctively know this. Our leader will never desert his principles and the principles of twentieth century Liberal democracy in order to win an election or evade an issue. How many times, Mr. Speaker, have you heard people say: "He is too honest to be a good politician"? I tell you this—I would rather lose an election by being associated with an honest statesman whom I can trust to tell me the whole truth than win one by aligning myself with people who constantly deal in half truths, language manipulation and high power propaganda in an effort to confuse and fool the people.

It is no contribution to national unity to hear political leaders in and out of this house publicly intimate that those who disagree with them are either fascists or communists. I can think of no greater tragedy for Canada than that slogans and labels, designed to incite and divide, should be used in place of reasoned argument and enlightened proposals. From personal experience on a municipal council, I know just how hard it is to discipline the tongue but I for one will make an honest attempt in this House of Commons to work at producing unity in the interest of a greater national unity. Surely at this crucial time in Canada's short history when subversive elements of corruption, irreligion and organized disunity are seeping into the lifeblood of our nation, we cannot afford the luxury of

irresponsible name calling which contributes nothing to curing the causes of communism and fascism or any other kind of dictatorship.

Our conduct in the interests of a united Canada could give Canadians greater confidence in the ability of free men in a free society to govern themselves. I feel this responsibility deeply, and if I fail at times to adhere to this line it will not be a premeditated political manoeuver but a human failing for which I am sure my friends and especially my opponents will chasten me. These convictions which I have just expressed will in no way deter me from attacking what I think is wrong and fighting for what I know is right.

The proposals put forward in the speech from the throne provide a totally inadequate solution to the urgent immediate problems facing the people of my constituency of York Centre in this year 1962. These 110,000 voters of York Centre voiced their lack of confidence in the ability of the Conservative government to manage the affairs of the country on June 18 last when a previous Conservative majority over the Liberals of 11,000 votes was turned into a Liberal majority of 9,000. I should have thought that this great reversal of public opinion which took place in riding after riding across the country would have jarred the most insensitive government into realizing something had gone wrong. However, instead of applying the lesson to the one place where it would do the most good, namely, to themselves, they decided, through the weird and wonderful process of Tory thinking, that they had received a mandate from a 37.31 percentage of the popular vote to go over to England and in the most shameful way make things as embarrassing as possible for that country in her efforts at economic salvation. The time might better have been spent in the Canadian House of Commons formulating Canadian policies of action designed to produce Canadian economic salvation.

This minority Conservative government stands condemned for its failure to call parliament into session many weeks ago while there was still time to legislate a plan of action adequate to correct the serious crisis of cash and confidence that faces Canada and her people, and while there was still time to legislate a constructive program for those presently unemployed and those about to become unemployed before the dismal months of desolate winter are upon us. My constituents in York Centre do not want to live on unemployment insurance; they want steady work, they want steady jobs, they want to go home at night to their families with the satisfaction of a job well done and a full pay envelope at the end of the week. The Conservative government cannot much longer withhold from them the opportunity of helping to develop this nation.

This minority Conservative government stands condemned by the manner of their ruthless destruction of that superb, distinctive Canadian achievement of our labour forces, the Avro Arrow. I stood with my wife and little family one Sunday afternoon out in Malton airport watching the test pilot fly the Arrow. That beautiful aircraft was climbing up into the blue skies—

An hon. Member: Get out your crying towel.

Mr. Walker: I do not need one. The workers were out there and I heard a little boy who had been put on the top of a car so that he could see better say: "Mummy, is that the aircraft that daddy helped to build?" And she said: "Yes, son, that is our Arrow." They were all so proud of belonging to the Arrow team. The only thing that is left of this, the finest aircraft of its kind in the world, are the bitter memories and sorry disillusionment of the remnant of a once proud team of skilled craftsmen, many of whom lived in York Centre. Fourteen thousand workers were fired on an hour's notice. Their morale was shattered. The planes have been demolished, killed by the acetylene torch, the patterns destroyed, and a team of highly skilled craftsmen lost to Canada forever. Mr. Speaker, is this the way to build a nation?

This Tory government stands condemned for withholding from those who had the right to know—the Canadian people—the honest facts of our deep financial crisis in the weeks before the election.

By its own actions this minority Conservative government stands condemned for the inequitable share of austerity it has loaded on the civil servants who have no redress from the government's arbitrary decision because they have no bargaining rights.

This government stands condemned for allowing the erosion of our publicly owned Canadian institutions, the C.B.C., the T.C.A. and the C.N.R.

This government stands condemned for its failure to take whatever measures are necessary for Canada to regain control of her financial and political independence so we can stand on our own two feet and speak with a confident and independent voice in the family of nations.

This minority Conservative government stands condemned for its reactionary attitude to any thought of a possible necessity of monetary reform. Of equal importance to the saving of the dollar is the saving of Canada and her people.

This government stands condemned for its refusal to assume the responsibility of seeing that steady work is available through private or public works for all our people.

This minority Conservative government stands condemned for running the country into the hole, financially, to the point where they apparently cannot produce a co-operative medical care plan for our people.

But mainly, Mr. Speaker, I think this Tory government stands condemned for its failure to have done the long range planning necessary for the successful operation of any efficient business or any prosperous country. What the Tories have been unable to bring themselves to do, we Liberals will do. That is why they are Tories and why we are Liberals. This is a time for decision. This is a time for greatness. The Conservatives have refused to supply it; the Liberals will supply it. The Canadian people have always responded to a call for greatness from an inspired and trustworthy leadership, and they will do it again when given the chance. A call to the hearts and minds of all of us to live for our country, to work for our country, and to sacrifice for our country, would unleash such a response of devotion and true patriotism that Canada would indeed become "the true north strong and free".

The Liberal party, the revitalized and dynamic Liberal party—

Some hon. Members: Oh, oh.

Mr. Walker: Mr. Speaker, I must comment that one would think this is not my maiden speech, but that I had been here as long as these gentlemen. The revitalized and dynamic Liberal party, with the know-how based on decades of solid and successful Liberal achievement, have a program of specific clear-cut policies which will lead this country to recovery and the rate of growth necessary for her to achieve her destined place in the family of nations. Mr. Speaker, may we soon have the opportunity of performing this service for our beloved country.

Mr. Speaker, at 9.45 tonight we face what I believe is a matter of conscience. I believe we face a moral decision. For my part I will be true to the best that is in me and to those who have sent me here. This is the challenge that faces us tonight. If we do not stand for something, we will fall for anything. Mr. Speaker, I am diffident about closing my speech with the words I intended, but I will. They are these:

> Once to every man and nation
> Comes the moment to decide
> In the strife of truth with falsehood,
> For the good or evil side.
> Some great cause, God's New Messiah,
> Offering each the bloom or blight,
> And the choice goes by forever,
> Twixt the darkness and the light.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, in offering congratulations to the mover of the address I wanted to say to him that he should forget any embarrassment he felt for the kafuffle in reaching for the motion. I remember my first speech in this house was a situation somewhat parallel to that of the last speaker. I had notes littered all over my desk. There were some fairly sharp people in that house, including the Right Hon. James Gardiner down on the front benches. As I got towards the end of my speech I had my notes all mixed up. So I paused and was reaching and looking for them, which took a fair amount of time, and suddenly out of the chamber came his darting voice: "What are you looking for, boy?—the Regina manifesto?" I can only say that I think I have recovered from that, although it was pretty rough at the time, and I hope the same recovery has already taken place with him.

In offering congratulations to you, Mr. Speaker, and to Mr. Deputy Speaker, I should like to make one observation upon something which has already developed since the day when we met, and that is with regard to the question period. I have always realized, as have most hon. members, that this is very much an informal and unique occasion in parliamentary government. It is really a daily skirmish between the government and the opposition. I think it fulfils the purpose of a commentary on both major and regional problems, and lets the house and the country get some measure of the ministers of the crown. But instead it seems to me that what we may be developing in our question period is a contest between the opposition and Mr. Speaker, and I would only hope that, in the long run, this will disappear and that we will not have a decline in what I think is one of the most important features of our institution. I thought, Mr. Speaker, putting it in colloquial terms, that the last parliament was a lousy parliament in terms of quality, and here I must offer congratulations to all the new members who have come here. I point out especially the hon. member for Villeneuve (Mr. Caouette), the hon. member for York South (Mr. Lewis) and the hon. member for Coast-Capilano (Mr. Davis), who by the quality of their technique at the very least—if they do not mind my saying this—have certainly heightened and improved this parliament over the last one.

One of the things which is really noticeable in this house, Mr. Speaker, in the debate on the speech from the throne is that the major emphasis has been on economic matters. The paradox that I have found in this, and the major concern that I have encountered among Canadians, is that while economic matters do

concern them, the majority of their concerns are really much wider than that. There is a major frustration. I get it when I talk with businessmen, with housewives, with trade unionists, or with anybody who is within the spectrum encountered by a member of parliament. It usually winds up with this sentence after you have heard their varied complaints: "Why doesn't the government do something about it?" This is not quite as stupid a question as it may seem in our Canadian context, and I should like to illustrate it by giving an example from my own riding and my own region. Our basic wealth producers are pulp and paper, mining, and the transportation industry. Each of these is at the present time fairly sound, relatively efficient, and doing relatively well; but the improvements in these industries over the past decade have given much more productive capacity with either no increase or a drop in the number of jobs provided.

In a nutshell, we are producing more with fewer men. Our service industries have expanded greatly and we have had a fair provision of social capital investment in such things as hospitals, highways and schools. But a relatively small population such as we have can only support so many bowling alleys, motels, curling rinks, drive-in theatres, community television systems and hamburger shops. Our young people are finding it harder to get jobs. The annual incidence of unemployment is creeping up. This is all happening at a time when we have a certain type of affluence. More people have summer camps. There are more winter trips to Florida, more boating, more fishing, much more spending and leisure activities. Thus, at the same time as we have the affluence, we are getting an increasing strain amongst the young people who cannot find a job, and the middle aged ones whose jobs have disappeared or are disappearing. With it all there is a spirit of insecurity and doubt about our own future, and that has tended to permeate our whole region. I think it is just not incidental to my particular region of northwest Ontario.

Several years ago a representative delegation from our part of the country met the minister of labour here to ask for government assistance, specifically regarding winter unemployment, but generally with regard to the rather pessimistic future that seems to face our area. The minister challenged us. He said: "Don't tell me things are bad. I want you to come and tell me why they are bad and what can be done about them." So we took the minister at his word, went home and set up a commission to study the situation and to make recommendations. Last January, after about 18 months work, the commission made its report and recommendations. These were constructive, limited and realistic. We told the minister why things were bad and we suggested what could be done about them.

Since then we have been on a lovely merry-go-round. Just two weeks ago I finally got a response to the recommendations from the federal Department of Labour. In effect there is not much that the federal Department of Labour can do to help us. In the interim the provincial government has been canvassed and in effect it cannot do very much to help us. The Hon. Robert Macaulay is zooming around Ontario with a zeal not unlike that of his running mate, the Minister of Trade and Commerce (Mr. Hees), exhorting us all to buy Canadian, promising drives here and committees there; but in effect he is not accepting very much responsibility for the provincial government for the malaise of our region. We are really back where we started from two years ago. Everyone is concerned but no one is really doing anything effective about it because the lines of responsibility for economic direction in Canada and in our region as a microcosm of Canada are completely blurred.

I should like to point to two federal programs of joint co-operation with the provinces to which I am very partial and our party has been very strong for them. They are the ARDA program and the vocational training program. The acts exist, the money is there but the implementation in a good, sound way always gets fouled up in the question of initiative, jurisdiction and prime responsibility. In brief, we have tentatively crept toward a solution of our goals but we have never climbed over the main barrier to effective co-operation, that is, our divided sovereignties and the fundamental weaknesses of an economy which is plagued with ten different jurisdictions and a host of municipalities and regions complaining and competing with regard to their future and their duties and where they are going.

It is my contention that all our genuflections toward economic planning or a planned economy must be prefaced on securing a recognition of responsibility. We require either constitutional changes or a new flexibility in co-operative programs or goals. As I remarked earlier, the real problems are larger than the economic ones. True, the economy may be the core but the whole apple of problems, it seems to me, is made up of our Canadian nationality, the tremendous interest in education at all its levels, the unease over the inadequacies of our social security, the frenetic dilemma of all our municipalities as they face taxation and financial burdens, the parallel and difficult problem of the family

farm and the family business—has either one any real future?—and the mystery of our defence and foreign policies. All these along with economic problems have created the crisis in confidence that exists in my region, and I would argue in the nation as a whole. In effect, the voters turned us all down last June. Nowhere is this crisis of confidence more apparent, to my mind, than with our political parties.

Before I express my opinions as to our failures as politicians and as political partisans, I should like to underline that our great mistake as a parliament will be that of assuming that the unrest and malaise of our time in Canada are merely economic. We need a coherent series of goals for the nation. These predicate choices that we must make. We must spend a great deal more, not only in money but in thought, on education. We must spend a great deal less on other things by choice. We must do much more to preserve and extend the Canadian identity. Our choice is either that or absorption into the American milieu, both economically and culturally. We must improve our social services by portable pensions, national health insurance and a completely new concept of resolving unemployment through the emphasis and financial support of mobility, retraining and job guidance and testing.

We must strengthen, not weaken, the national institutions which communicate or interpret or develop our culture, such as the C.B.C. and our national press, both daily and periodical. It is really an ultimatum so far as I can see. Either we do this or we are assimilated by a friendly and powerful national consciousness that surges at us from the south. There are so many things I like about the United States that I keep asking myself the question and I want my party to ask the question: Why bother with this damnably indefinite thing, Canadianism? Why not join them? Or if you want to put it in another way, "Is it too late?"

In this kind of dilemma it always seems to me that we have to decide to go for Canadianism. The evangelists, including the previous speaker, are always exhorting us that now is the time for decision. My feeling so far as our national identity is concerned is that this is the time of decision. If we wait much longer we will not have any identity left to preserve. Either we strive much more boldly to develop our institutions in distinction from the Americans or effective assimilation is only a matter of time. We face a choice of whether we are going to be a big country or a small one. The most obvious way for us to become a big nation is to augment our population quickly. This means to me the choice of a bold immigration policy that will bring millions of people into this country on a staged basis or else we will have a relative decline in the face of both competitors and allies.

Nowhere, Mr. Speaker, can I find a more encouraging approach to our problems from the point of view of total comprehension than in the *"Mater et Magistra"* document by Pope John XXIII published last year. The quotation I give is concerned with the values and methods of the modern approach to our problems, and it reads as follows:

> One of the typical aspects which characterize our epoch is socialization, understood as the progressive multiplication of relations in society, with different forms of life and activity, and juridical institutionalization—
>
> Socialization is, at one and the same time, an effect and a cause of the growing intervention of the public authorities in even the most crucial matters, such as those concerning the care of health, the instruction and education of the younger generation, the controlling of professional careers and the methods of care and rehabilitation of those variously handicapped. But it is also the fruit and expression of a natural tendency almost irrepressible in human beings, the tendency to join together to attain objectives which are beyond the capacity and means at the disposal of single individuals. A tendency of this sort has given life, especially in these last decades, to a wide range of groups, movements, associations and institutions with economic, cultural, social, sporting, recreational, professional and political ends, both within single national communities and on an international level.
>
> It is clear that socialization, so understood, brings many advantages. It makes possible, in fact, the satisfaction of many personal rights especially those called economic-social, such as, for example, the right to the indispensable means of human maintenance, to health services, to instruction at a higher level, to a more thorough professional formation, to housing, to work, to suitable leisure and to recreation.

In this encyclical Pope John raises the question that apparently is overriding my friends directly across the way. The encyclical says:

> At the same time, however, socialization multiplies the forms of organization and makes the juridical control of relations between men of every walk of life ever more detailed. As a consequence, it restricts the range of the individual as regards his liberty of action. It uses means, follows methods and creates an atmosphere which makes it difficult for each one to think independently of outside influences, to work of his own initiative, to exercise his responsibility and to affirm and enrich his personality. Ought it to be concluded, then, that socialization, growing in extent and depth, necessarily reduces men to automatons? This is a question which must be answered negatively.

He goes on in this document to point out that there is no need to fear this limitation of the individual, provided we are all aware. I should like to recommend this document to all members of the house, particularly the gentlemen of the Social Credit party who

seem to have a tremendous feeling that the liberty of the individual is going to be interfered with as socialization proceeds.

Another concern I would like to touch upon in this speech is that of parliamentary government. I have expressed the point of view that I thought the last parliament was a poor one. I may say to those members who have asked me whether or not I was going to renew my campaign for improved pay for members of parliament, that I am not. Most of you made me so proud in the last house with the bravery with which you supported me on the floor in connection with that particular matter, that I am going to let the matter drop on the assumption that our need is not as great as that of other people.

The parliamentary system in recent years, Mr. Speaker, has seen the growing power of the executive. I tend to be one of those who believe that this power has become dangerously great. I think there has been a gradual shifting of gravity from parliament towards the professional services of the state. In effect, ministerial responsibility has become a cloak for the lack of effective responsibility of the civil service. The huge increase in administration has not been paralleled by an increase in parliament's capacity to examine and criticize the bureaucracy. There is only time in parliament to air a small fraction of the problems which bureaucracy is involved in, and there is a growing disparity between the knowledge of a parliamentarian and the bureaucracy which has the facts. One commentator has put it this way, a man by the name of R. L. Strauss who has written a book called "The Ruling Servants":

> The greatest institutional weakness of parliament as a means of controlling the administration is the fundamental conception of the parliamentary system as the scene of a continuous contest between defenders and attackers of the government. This conception identifies the civil service, as the assumed tool and servant of the political government, with the political self-interest of the majority and compels the minority to formulate every issue in party political terms. Criticism and justification of administrative actions alike thus inevitably assume a political character, and all too frequently cancel each other out without penetrating to the administrative reality behind the parliamentary contest. This deep-seated feature of British parliamentarianism may also be the ultimate reason for the absence of a specialized committee system which is mistrusted alike by the parliamentary opposition, by the government and, of course, by its official advisers as an encroachment on the rights of the executive.

It seems to me that in Canada this particular refusal of parliamentarians to examine what I think is this problem of parliamentary health is nowhere more apparent than in the first volume of the Glassco commission report which has just come out. This huge report contains a plethora of recommendations, major and minor, stemming from specific analysis of departments and areas of responsibility; but nowhere is there even a word about parliament's role in the administration, its control or efficiency. You would think the administration was in one limbo and we were in another. I know the excuse is probably that the terms of reference did not allow for this. All I can say is, how can you make a searching examination and effective recommendations on government administration if you do not look closely at the organization that is supposed to be the master of it all? Surely, that is parliament.

Now, Mr. Speaker, let me turn to something more avowedly, crassly and enjoyably political. The other night our rather whimsical Minister of Finance (Mr. Nowlan), in drawing somewhat sweet conclusions about the high-minded support given the government by the Social Credit, highlighted the bedding together of the socialists and the pseudo-socialists. He read something into this, much as some of us may read something into his gentle wooing of the creditists.

This is a subject worth examination. Just last week one of the authors of the Regina manifesto, Professor Frank Underhill, told me that he felt there were marvellous opportunities in this parliament for the development of a new alignment of the progressive, radical forces in Canada with the Liberals and the New Democrats together—the liberally minded left as he called it. Just before this suggestion was made, I had learned that he had been driven to vote Liberal for the first time in a generation because he thought the present administration so bad.

From another point of view, in my constituency I meet continually Liberals and others who suggest that basically we have so much in common that a means should be found for a constructive co-operation. In order to answer such suggestions and arguments, I find myself at a game one might call pick-apart-the-Liberals. It is a delightfully easy game to play. In my own riding, the Liberals put up a typical new frontiersman. He was handsome, photogenic, desperately anxious to get Canada going again, with lots of money and the very best connections. However, when one examined his political ideas, the new Liberal frontier seemed very much like an old nineteenth century political frontier. This young man affirmed repeatedly that there was no use electing anyone to sit in opposition. It was very clear that the Gallup poll showed the Liberals were going to win. You must have a government member or all was lost. Therefore, you voted Liberal. Now, a lot of people in the riding did vote

Liberal and if they did so, as I believe, because they were taken with this argument, I am taken to the conclusion that the Liberal party is still without a conception of parliament that is democratic and modern. This was one of their bright young frontiersman and this was their line of approach to parliamentary democracy.

Then, there is another aspect of the Liberal party today that needs analysis. My opponent was a young scion of one of Canada's wealthiest families. The other night the hon. member for Bonavista-Twillingate referred to the government's acquisition of that barefoot boy from Bay street, Mr. McCutcheon. Despite the virtues of noblesse oblige and all that, I wonder what the hon. member for Bonavista-Twillingate thinks about these other people from Bay street or its near environs, such as the impecunious members from Toronto-Davenport (Mr. Gordon), St. Lawrence-St. George (Mr. Turner) and Vancouver Centre (Mr. Nicholson). Which party came up with the most money to throw around during the last election? Which party do you find the favourite amongst the big businessmen you met? Which party has taken over the Madison avenue type mastery of the slick guff and reiterated banalities, such as the boys of the team jumping off the bus? The answer is rather obvious.

Of course, the Liberal party is riddled with senior administrators, senior civil servants.

Mr. Pickersgill: Is the hon. gentleman talking about the new senator?

Mr. Byrne: What are you looking for this time?

Mr. Fisher: I am not looking for the Regina manifesto. I am reminded, Mr. Speaker, of an incident that occurred during the last election campaign. There was a big rally held in a city not far from here which the leader of the Liberal party was to address. A friend of mine who was there said they had a tremendous crowd and before Mr. Pearson's performance the candidate was speaking. He was reading from a text and he reached the stage where he said, "Mr. Chairman, there is one thing I have found as I go around knocking on doors and meeting people in this riding, there is one thing that you need above all"—then he lost his page—"there is one thing you need above all",—and finally he found the page and he said, "patience". This was the best introduction the Leader of the Opposition had during the whole campaign.

The point I wanted to deal with in connection with the Liberal party, one which bothers me, is the outstanding argument that is put forward here by its ablest debaters and which I term the Pickersgill dogma of Liberal administrative genius.

Mr. Pickersgill: It is sadly in eclipse.

Mr. Fisher: This is paradoxical—well, it is just damn queer, that is what it is, that the Liberal party should be proud of its administrative genius. This statement, "We know how to govern", is Conservativism; it is blimpism. This talk of administrative genius—

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

Mr. Fisher: No. The hon. member for Bonavista-Twillingate and I once took part in a debate on liberalism before a university audience, and we agreed with the people organizing it that we would not talk about the Liberal party but that we would talk about the philosophy of liberalism. Who was the first speaker? It was the hon. member for Bonavista-Twillingate and he never got off the Liberal party. As the professor in charge said afterwards, "We excuse him. He knows not what he does; he is just a Liberal."

Mr. Pickersgill: That is right.

Mr. Fisher: The Liberals have contempt for the new boys, the shaggy fellows on the other periphery of politics. Things were not what they used to be when good old Bud and good old Mitch were deputy ministers. They say to themselves that these new people cannot possibly know the arcana which are revealed only slowly, through imperceptible drops and over long periods, to those who are truly on the inside—the inside with the Liberal party. The senior civil service caste, or the mandarin caste if you prefer, has been allowed to set the tone of the party, and this means worship for the administrative expertise of Mike and Pick and Bud and Walter.

In the abstract sense, essentially liberalism is a creed which preserves permanent values by destructive means. By this I mean that the liberal is always striving to uphold the individual's rights and enlarge the scope of individuality, while striving at the same time to relate these goods to the broader good of society as a whole, and he must suspect anything which does not contribute to these goods automatically. He has not the time for veneration of this or that time-honoured administrative liberal practice. He is or he ought to be right in step with the whole movement of life. He accepts change. He even accepts his ousting from government with a little bit of grace. He tries to guide change or even to anticipate it, and he does this through programs, through legislation and through positive action.

Now if I might skim through the Liberal program.

Mr. Pickersgill: Put it on the record.

Mr. Fisher: I repeat that this is nothing more than an argument of administrative genius, but if the Liberal party has this administrative genius and at the same time draws the support of superb fellows like Joey Smallwood, with his economic blackmail to mute rivals, or Ross Thatcher kicking down the doors of empty chambers, surely that is some reason why we hesitate to see this Liberal party as the means for Canada's salvation, as a chance for us to join a party of the democratic left.

Today the fact is that genuine liberalism is called for, but the bitter conclusion I have to reach is that genuine liberalism has been all but stifled in the very party which nurtured it in this country, or claims to nurture it, and which considers itself to have a chance of forming the next government. I cannot give a better example than the dull, uninspiring history of the Liberal party by the hon. member for Bonavista-Twillingate and then contrast its dullness and hypocrisy with the wonderful job he did on Mackenzie King and his diaries. In his story of the Liberal party you can see the limitations that are put on a liberal within the Liberal party.

There is no doubt in my mind that, despite the wonderful plea we had this day from the hon. member for Hamilton East (Mr. Munro), there is not much appearance of genuine liberalism in the Liberal party, and I can say to the Minister of Finance, that funny whimsical fellow who loves these boys across the way, "do not worry too much about this diagonal love affair between the Liberals and the New Democratic party because I have the feeling that they will have to reveal, in this parliament and in their program, much more than just the dogma of administrative genius, or should I call it the dogma of Pickersgill's infallibility?

(Translation):

Mr. Georges Valade (St. Mary): Mr. Speaker, I wish to join my colleagues in offering you my warmest congratulations on your appointment as Speaker of the house. Having been chosen to fill this post is a great honour for you and we know that you deserve it because of the work you did here in the past.

I also wish to join the members of this house to congratulate the mover and seconder of the address in reply to the speech from the throne.

Mr. Speaker, I wish in particular to greet the many young members who, like myself five years ago, made their maiden speech in the house during the last few days. I have noticed also, in the last federal election, that in the Montreal area, at least 19 Liberal members were needed to replace one good Conservative member.

(Text):

Mr. Speaker, I was listening to the arguments being advanced a few moments ago and I was surprised to notice that these people from the left side of politics, these socialist inclined people, have forgotten their responsibility in this house, the responsibility which was given to them by a colleague of theirs who had courage enough to resign his seat as member of parliament for Burnaby-Coquitlam. In his direction to the party that former member said he believed a minority government could be a good thing for the people of this country because he believed that a minority government can do more for the people than a majority government.

We have now seen these people turning around and rejecting this sensible policy from one of their former colleagues, and trying to overthrow this government not, as it was said, in the interests of the people but to serve their own political purposes.

(Translation):

Mr. Speaker, the last federal election has shown that the present Leader of the Opposition (Mr. Pearson) is not the man the Liberal party needs to win in Canada. He has met defeat twice in a row and even if the Liberals show him some consideration by treating him with respect, it is obvious that they have entirely lost confidence in a man who has led them to two consecutive defeats. Dissatisfaction is growing in the ranks of younger Liberals and we would not be surprised if the Leader of the Opposition suddenly took ill and if that pretext were used to replace the present leader of the federal Liberal party by the future leader of the provincial Liberal opposition, Mr. Lesage.

Besides, the Liberals are highly competent as far as Liberal prophecies are concerned. In *La Presse* of June 13, 1962 there was an article saying:

Lesage predicts Pearson victory.

That is all the competence, the foresight, the accurateness of our friends opposite.

Well, if the Liberals have suffered three defeats since their leader has been in office, they owe it to unreasonable politics, false causes and double dealings.

The Liberal promises during this campaign, Mr. Speaker, we can find in the small textbook, in the bible of the Liberal party published by their own officials and advisers.

This program contains dazzling promises. It mentions an increase of old age pension up to $75; it mentions assistance to widows

and single women as they reach 60 years of age. It contains, as a matter of fact, a whole gamut of electoral promises.

Then there is the member for Assiniboia (Mr. Argue) a new convert to the Liberal cause. I would point out to my friends opposite that when I said the word "convert" I had in mind—let it be said without being disrespectful to the member for Assiniboia—the word "turncoat" that the Liberals change into "convert". According to *Hansard* of January 23, 1962, the member said:

> Canadians have the right to know from what sources will come the amount needed to pay for the numerous and considerable expenses which are announced.

Thus spoke the hon. member for Assiniboia during the debate on the speech from the throne, in 1962.

Well, my Liberal friends, if you want to be logical with your new convert, you had better find out who is going to pay before you make any promises to the electorate. That, Mr. Speaker, is one of the reasons why the leader of the Liberal party was so badly defeated for the third time.

The Liberal *vade mecum* contains statements which can only bring a smile to the lips of those who are familiar with their platform.

Here is a quotation from page 4 of the Liberal manifesto for 1962:

> The Liberal party of Canada favours dynamic good citizenship which will give every citizen the opportunity of fully developing his personality.

Some hon. Members: Hear, hear.

Mr. Valade: Mr. Speaker, I enjoy Liberal applause a great deal. However, if they read the newspapers, they would find out what people think of their civism, the way they put it into practice and not the way it is written in the Liberal program.

An hon. Member: Conservative civism.

Mr. Valade: In the Ottawa *Journal* of September 25, 1962, one can read the following about the civism of the Leader of the Opposition:

(Text):

> Small wonder that this week we had the leaders of our Social Credit and other parties rejecting Mr. Pearson for "playing politics". For he is not only playing politics; he is playing the most unworthy and un-Canadian sort of politics.

Does this mean, I ask you, Mr. Speaker, "communist politics"? There is no surprise that there is a blockade now on the Liberal side, because they are afraid of the truth.

(Translation):

Mr. Denis: I rise on a point of order. Let us see the newspaper.

Mr. Speaker: The hon. member for St. Denis rises on a point of order.

Mr. Denis: My point of order is that the house should be informed of the source of the quotation and of the date of the newspaper.

Mr. Speaker: If the hon. member had followed the speech, he would know to what publication his colleague was referring.

Mr. Valade: Mr. Speaker, that is a striking example of the fact that, in certain parts of Quebec, it is not because of their competence that Liberal members were elected.

Mr. Speaker, I would have liked to hear the host of members who were to talk to us about a new sense of political responsibility, in the Liberal manner, which calls obviously for the destruction of the efforts so eloquently made by the Prime Minister of Canada (Mr. Diefenbaker) when he was in London, at the beginning of September, to fight for the interests of Canada's business men and workers.

I have not yet heard a single Liberal member talk seriously about a matter which, today, is considered of vital importance to our business men: the common market. I would have liked to know why, after 22, 20 or 15 years in power, they did not manage to find the time to study such an important matter as the common market, to tell the house what they think of it.

An hon. Member: Right.

Mr. Valade: I think that the non-commitment of the Liberals in this respect lead us to suspect a shade of dishonesty in their policy. They know very well that the stand taken by the Prime Minister in London was in the interests of Canada and the Canadians.

Mr. Speaker, I propose to deal tonight with the common market issue because it is a question which concerns not only the members but also all Canadians, the businessmen as well as the workers.

The Conservative convention, which opened today in London will provide for a stormy debate regarding Great Britain's entry into the free trade area of the common market.

Due to the consequences of that issue on the economic future of our country and the subjective stand taken by the Leader of the Opposition in this respect, I believe it is my duty to express my opinion on this matter.

The implications of Great Britain's entry into the E.E.C. are such, for Canada, that it is necessary to consider their results.

I am one of those who did not share the views of Mr. Macmillan when he stated, in July 1961 that Great Britain alone was to decide whether it would adhere to the common market or not. I was therefore greatly surprised when I read the remarks of some members of the press who stated that Canada, having nothing to offer Great Britain, cannot demand that the United Kingdom abstain from joining this economic union.

Mr. Speaker, those people should remember the sacrifice of Canada's human and material resources during the last two world wars. To my mind, those sacrifices entitled this country to speak to the United Kingdom about issues that are common to both.

The attraction of the 170 million consumers representing the member countries of the common market, instead of the 55 million people in Great Britain, is, at present, fascinating for that country. England is right in wanting to shake off the state of lethargy into which British industry has fallen. That it would wish to stimulate it by joining an economic system with the quickest development rate in the world is quite understandable.

However, London cannot ignore the representations of the countries of the commonwealth and the economical and political consequences which would flow from its entry into the common market.

If London refuses the dialogue in that regard, Canada, if it values its economic security, will have to resort to the most dynamic means to demand guarantees, should Great Britain join the European community.

Those who have decried the efforts of the Prime Minister of Canada in this regard at the recent London conference deserve the contempt of Canadians who have at heart the interests of the Canadian nation. Not only have they done a disservice to their country, but they have raised doubts in the business community as far as Canada's future is concerned, and that may have disastrous results. Their stand has also weakened the authority of the government in its discussions in London.

If businessmen and investors are confident and optimistic, the government should have no difficulty in giving impetus to economic activity.

Those are the words of a Liberal, they are the words of a man who must have felt quite ill at ease when hearing the corny jokes the Leader of the Opposition made about the Prime Minister during the commonwealth conference in London. This man is now sitting on the Liberal side, as member for Davenport (Mr. Gordon). He should have the courage to say what he thinks of his leader, or has he already forgotten what he wrote in his report on the economic prospects for Canada, published in 1957? At the time, those words reflected a sound line of thought; now, they merely reflect Liberal thinking.

At the 1961 Liberal convention, the leader twice defeated said:

(Text):

If we have confidence in our Canadian strength and faith in our Canadian destiny we shall be able to maintain Canada's national identity.

Those are the words which were uttered at the Liberal convention by the Leader of the Opposition. I should like to ask him what he meant when he said: "If we have confidence in our Canadian strength and faith in our Canadian destiny"? I should like to ask him what kind of faith they showed when they criticized the Prime Minister (Mr. Diefenbaker) while he was performing his duty in the interests of the Canadian people.

(Translation):

Mr. Speaker, some say that Great Britain could enter the European community without endangering the economy of Canada, if certain tariff protection were provided for us. Special agreements were mentioned, according to which London would secure preferential tariff conditions in favour of the commonwealth countries.

At first sight, this looks like an acceptable compromise. If, however, we go back to the statements made by the great architect of the European economic community, Mr. Jean Monnet, we lose our delusion. For Mr. Monnet has already warned Great Britain that if she enters the community:

She must not expect any special privileges by reason of her commercial ties with the commonwealth.

When you consider that our exports to commonwealth countries amounted to $915 million in 1961 and that these products would be in direct competition with those of France which has already demanded a priority for its farm products, on the threat that she would get out of the common market, you understand that Mr. Monnet's statement is justified.

Besides, it is as a result of that threat that it was resolved that prices of farm products would be equalized in all common market countries in the next seven years.

What guarantee could Britain obtain for our country, if we examine the scope of this resolution?

Mr. Jean Monnet maintains that the common market will result in higher salaries in Europe, where they are not too high in any case, and eventually bring about real competition in the field of prices. This will no doubt lead to a price and wages control where earnings will be kept within reasonable bounds.

Is it possible then to speak of special guarantees for Canada in those circumstances?

(Text):

The remarks of the hon. member for Parkdale (Mr. Haidasz) this afternoon when he said the entry of Britain into the European common market would not damage Canada's economy proves how ignorant of the treaty of Rome are the members of the opposition. It is no surprise.

Mr. Speaker: It being 9.45 o'clock p.m. it is my duty pursuant to section 5 of standing order 38 to interrupt the proceedings and put the motion now before the house.

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

YEAS

Messrs:

Aiken
Alkenbrack
Balcer
Baldwin
Baskin
Beaule
Belanger
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bernier
Bigg
Bourbonnais
Boutin
Bradley
Cadieu (Meadow Lake)
Caouette
Cardiff
Casselman, Mrs.
Chaplin
Chatterton
Chown
Churchill
Clancy
Coates
Cook
Cooper
Cote
Crouse
Diefenbaker
Dinsdale
Dionne
Doucett
Dumont
English
Enns
Fairclough, Mrs.
Fairweather
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Frenette
Gagnon
Gauthier
Grafftey
Green
Gregoire
Grills
Gundlock
Hales
Halpenny
Hamilton
Hanbidge
Harkness
Hees
Hodgson
Horner (Acadia)
Horner (The Battlefords)
Howe
Jones
Jorgenson
Kennedy
Kindt
Langlois
Laprise
Latulippe
Leboe
Legere
Lessard (Lake St. John)
Letourneau
Macdonald, Mrs.
MacEwan
MacLean (Queens)
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McGee
McGrath
McIntosh
McPhillips
Maltais
Mandziuk
Marcoux
Martineau
Millar
Monteith
Moore
More
Morris
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
O'Hurley
Ormiston
Ouellet
Pascoe
Patterson
Paul
Perron
Phillips
Pigeon
Plourde
Pugh
Rapp
Ricard
Robinson
Rondeau
Rowe
Roy
Sams
Sevigny
Simpson
Skoreyko
Slogan
Smallwood
Smith (Simcoe North)
Southam
Starr
Stefanson
Stenson
Thomas
Thompson
Valade
Vincent
Webb
Weichel
Winkler—136.

Division

NAYS

Messrs:

Addison
Argue
Asselin
Badanai
Barnett
Batten
Bechard
Beer
Benidickson
Benson
Berger
Boucher
Boulanger
Bourque
Brewin
Burgess
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Cardin
Caron
Carter
Chevrier
Clermont
Clunis
Cowan
Crestohl
Crossman
Davis
Denis
Drouin
Drury
Dube
Dupuis
Éthier
Eudes
Fisher
Forgie
Foy
Garland
Godin
Gordon
Granger
Gray
Habel
Haidasz
Hardie, Mrs.
Harley
Hellyer
Herridge
Honey
Howard
Knowles
Lachance
Laing
LaMarsh, Miss
Lamoureux
Laniel
Legare
Lessard (St. Henry)
Loiselle
Macdonald (Rosedale)
MacEachen
MacInnis
Mackasey
McIlraith
McLean (Charlotte)
McMillan
McNulty
McWilliam
Martin (Essex East)
Martin (Timmins)
Mather
Matheson
Matte
Mitchell
Munro
Nicholson
Orlikow
Otto
Pearson
Pennell
Peters
Pickersgill
Pilon
Prittie
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Ryan
Sauve
Scott
Stewart
Tardif
Teillet
Tucker
Turner
Wahn
Walker
Webster
Whelan—108.

Mr. Speaker: I declare the motion carried.

Appointment of Supply Committee

Mr. Macnaughton: I was paired with the Minister of Public Works (Mr. Fulton). Had I voted, I would have voted against the motion.

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That the address be engrossed and presented to His Excellency the Governor General by such members of this house as are of the honourable the privy council.

Motion agreed to.

SUPPLY

APPOINTMENT OF COMMITTEE

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That this house at the next sitting will resolve itself into a committee to consider of the supply to be granted to Her Majesty.

Motion agreed to.

WAYS AND MEANS

APPOINTMENT OF COMMITTEE

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That this house will at the next sitting resolve itself into a committee to consider of the ways and means for raising the supply to be granted to Her Majesty.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire from the house leader what the business of the house will be for tomorrow, and can the house leader give a projection for next week and tell us what we will be doing then?

Mr. Churchill: I think we will be here next week and for some considerable time. Tomorrow we will consider first the resolution in the name of the Minister of Trade and Commerce, which was introduced today, dealing with amendments to the Export Credits Insurance Act. The second item of business will be the resolution standing in the name of the Minister of Agriculture dealing with amendments to the Farm Credit Act. You will find that is No. 14 on today's order paper. The third item will be second reading of Bill No. C-3, an act to amend the Food and Drugs Act, in the name of the Minister of National Health and Welfare. This is No. 2 on today's order paper. This will be the business for tomorrow and perhaps it will carry over on Monday. It will be possible on Friday, perhaps, to forecast some of the other business for next week.

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

HOUSE OF COMMONS

Friday, October 12, 1962

The house met at 11 a.m.

STANDING COMMITTEES

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That a special committee be appointed to prepare and report, with all convenient speed, the lists of members to compose the standing committees of this house; the said committee to be composed of Messrs. Chevrier, Churchill, Habel, Knowles, Marcoux and Ricard. That standing order 65(1) be suspended in relation thereto.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, a slight mistake has been made in the names. I wonder whether the house would agree to substitute the name of Mr. Pickersgill for that of Mr. Chevrier, as you read out the names.

Mr. Speaker: Is it agreed that the motion shall stand amended by deleting the name of Mr. Chevrier and substituting therefor the name of Mr. Pickersgill?

Some hon. Members: Agreed.

Motion as amended agreed to.

TRADE

LUMBER—ANNOUNCEMENT OF SECOND CANADIAN-U.S. MEETING

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, at the request of the United States government a second meeting of Canadian and United States officials will be held in Ottawa on October 16 and 17 at which the problems of the North American softwood lumber industry will be discussed.

As the house is aware, the first meeting on this subject was held in Ottawa on August 28 and 29 and for the information of the house I wish to take this opportunity to table the communique issued at the conclusion of that meeting. It is understood that at the second meeting officials will develop further the subjects discussed in the first meeting as referred to in the communique.

As was the case with the first meeting, the government has solicited the views of all sectors of the Canadian softwood lumber industry on the subjects to be discussed, and representatives from the industry have been invited to make known their views and to be present in Ottawa for consultations during the course of the meeting if they so desire.

As has been stated before, and I would like to reiterate, the government has left the United States government in no doubt as to the necessity of maintaining traditional Canadian softwood lumber exports to the United States, the amount thereof currently running at the rate of approximately $250 million a year.

Mr. Speaker: Has the right hon. Prime Minister unanimous consent to table the communique as requested?

Some hon. Members: Agreed.

(Translation):

CANADIAN NATIONAL RAILWAYS

EXTENSION OF USE OF BILINGUAL BILLS OF LADING

Mr. Lucien Cardin (for Mr. Deschatelets) moved for leave to introduce Bill No. C-60, to amend the Railway Act.

Motion agreed to and bill read the first time.

(Text):

ANNUAL VACATIONS ACT

PROVISION FOR TWO WEEKS HOLIDAY AFTER ONE YEAR

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. C-61, to amend the Annual Vacations Act.

Some hon. Members: Explain.

Mr. Knowles: Mr. Speaker, the purpose of this bill is to amend the Annual Vacations Act to provide that employees who come under federal labour jurisdiction shall get their two weeks vacation with pay after one year's employment, rather than having to wait two years as is the case at present.

Motion agreed to and bill read the first time.

CANADA ELECTIONS ACT

ABSENTEE ELECTOR TO VOTE ANYWHERE IN CANADA

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-62, to amend the Canada Elections Act (absentee voting).

Some hon. Members: Explain.

Mr. Howard: A system of absentee voting would permit an elector to cast his ballot on election day anywhere in Canada effective in his home constituency and home polling station. Such a provision does not now exist under the terms of the Canada Elections Act, and the bill seeks to establish an arrangement under which an estimated 200,000 people who were denied the right to vote during the last election might have the opportunity afforded to them.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

INQUIRY AS TO CONSIDERATION OF REVISED ESTIMATES

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to direct a question to the Minister of Finance, and ask him when he proposes to bring down the revised estimates which reflect the government's austerity program.

Hon. George C. Nowlan (Minister of Finance): I am not sure about reflecting the government's austerity program, but we are reprinting the estimates setting forth the revisions, and I am assured that the reprinting will be concluded on the 16th. I intended discussing with hon. members of the house what would be the appropriate time for them to be brought down. They could be brought down any time after the 16th. I said "After the 16th", but I suppose if the house desires they could be brought down on the 16th as well as after that day.

PUBLIC SERVICE

POSTAL EMPLOYEES—CYCLICAL REVIEW OF WAGES

On the orders of the day:

Mr. Lucien Lamoureux (Stormont): I wish to direct a question to the Minister of Finance. In view of the imminent massive slowdown in postal deliveries announced by the association of Canadian postal employees, will the minister reassure the house that the cyclical review of postal workers' wages is being expedited?

Hon. George C. Nowlan (Minister of Finance): In reply to the hon. member's question, the cyclical review is being carried out, as are all other reviews which must be undertaken under the statutes.

WINNIPEG, MAN.—CIRCULATION OF PERSONAL HISTORY FORMS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Justice. Will the minister inquire into the reasons for the recent circulation among federal civil servants in Winnipeg of the personal history form, a copy of which I furnished to the minister this morning, and will he have the form examined in the light of the Canadian Bill of Rights, particularly in view of its many references to racial origin and other aspects?

Mr. Speaker: Order. I think in the light of that involved question it should be one more for orders of the day.

Mr. Knowles: I have asked it on orders of the day.

Mr. Speaker: I beg the hon. member's pardon; I mean for the order paper.

(Translation):

AIR TRANSPORT

STATEMENT ON RADIOACTIVITY HAZARD TO HIGH ALTITUDE PLANES

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Last Tuesday the hon. member for Laurier asked me if the senior officers of the Department of Transport had made a study concerning the hazards of radioactive fall-out for aircraft flying at high altitude.

I answered him that the senior officers of my department were interested in the matter but that I would give him a definite answer later on.

I am told that the officers of my department have examined the matter very closely in conjunction with those of the radiation protection division of the Department of National Health and Welfare. Their study has revealed that fall-out does not present any danger which would justify at this time the adoption of particular restrictive measures concerning the operation of aircraft. Our conclusions have been made known to the operators of those aircraft and the question is still under study.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, could I ask a supplementary question? Is the minister aware that senior officers of B.O.A.C. have not only made studies but have taken steps to protect aircraft and their passengers against those hazards?

Mr. Balcer: Yes, Mr. Speaker. I read a press report to the effect that when certain B.O.A.C. aircraft arrive in London, their external surface is cleaned. My departmental officials are also aware of what is being done in Great Britain and from experience they came to the conclusion that such precautions are unnecessary here at the moment.

(Text):

C.P.A.—APPROVAL OF FLIGHTS FROM WESTERN CANADA TO LONDON

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Minister of Transport. Can the minister tell the house whether in his talks with his opposite number in the United Kingdom government he has been successful in obtaining the approval of that government for landing rights at London for the C.P.A. Vancouver-Calgary-London run, as announced by the minister in the house over a year ago?

Hon. Leon Balcer (Minister of Transport): There has been no change in the attitude of the United Kingdom government on this matter.

(Translation):

DEFENCE PRODUCTION

CANADAIR—PROTEST RESPECTING TEST NOISE

On the orders of the day:

Mr. Guy Rouleau (Dollard): Mr. Speaker, I should like to address a question to the Minister of Defence Production. In view of the serious inconveniences to hospitals, to religious and educational establishments as well as to the general public in the town of St. Laurent and the surrounding area, arising from the noise made by thermal jet airplanes going through test flights at Canadair, may I ask the minister, as I did in the past, whether his department is willing to co-operate with the authorities of that company which has already spent tremendous amounts of money to muffle the noise made by those aircraft?

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, as in the past we are prepared to co-operate with the authorities of the Canadair company, because almost all the work carried out by that company in Montreal is done under the supervision of the officials of my department.

(Text):

HEALTH AND WELFARE

LIEFCORT—ACTION BY U.S. TO STOP DISTRIBUTION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of National Health and Welfare a question based on his reply to a question of mine on Wednesday last to the effect that the distribution in Canada of the preparation liefcort was stopped before action had been taken in the United States. My question is this. Is the minister not aware that the United States, according to United States food and drug commissioner George Larrick, took action to ban the import of the drug liefcort on August 24, a full month before action was taken by the minister?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I clarified my answer of the day before yesterday, and if the hon. member would read *Hansard* he would see that clarification.

Mr. Martin (Essex East): I did see it, but it is not a clarification.

AGRICULTURE

MARITIMES—REQUEST FOR EXTENSION OF CORN SUBSIDY

On the orders of the day:

Mr. Allan J. MacEachen (Inverness-Richmond): Mr. Speaker, may I address a question to the Minister of Agriculture. In view of the statement issued by the directors after a meeting of the Nova Scotia federation of agriculture held last night, to the effect that emergency conditions still prevail with respect to supplies of feed, is the minister prepared to accede to the request made last night by the federation and reconsider his decision on the extension of the corn subsidy?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I answered a similar sort of question on October 10. This question refers to another wire or series of wires which have been sent since I made that statement. I will look at the matter again, but if the facts indicate that there is a sufficient supply of feed grain in the maritimes, I have no intention of changing my decision.

LABOUR CONDITIONS

VANCOUVER, B.C.—REPORTED INCREASE IN NUMBER SEEKING WORK

On the orders of the day:

Mr. John R. Nicholson (Vancouver Centre): Mr. Speaker, I should like to direct a question to the Prime Minister. A report just released by the national employment service shows that there were 17,500 persons seeking jobs in the Vancouver area at the end of September, an increase in number from the end of the previous month. Can the Prime Minister reconcile this situation with his statement in this house on October 2 that an unemployment survey indicated that the employment situation—

Inquiries of the Ministry

Mr. Speaker: Order. I think the hon. member will recognize that he is now making an argument in the form of a question, and I do not think that under that guise the question is at all admissible at this time.

[*Later:*]

Mr. Nicholson: Mr. Speaker, I should like to ask a question of the Prime Minister. When you have 17,500 persons seeking work in the Vancouver employment area, does this in his view represent full employment?

UNEMPLOYMENT INSURANCE

INQUIRY AS TO REPLENISHMENT OF FUND

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister whether the government proposes to take early steps to replenish the unemployment insurance fund.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that matter will receive consideration in due course.

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask a supplementary question. In view of the fact that the fund has reached a perilous state, does the Prime Minister not think the suggestion implied in the question ought to be acted on quickly?

Mr. Speaker: Order. I think the hon. member was advancing an argument under the guise of a supplementary question.

Mr. Fleming (Eglinton): And it was a poor argument too, a typically poor argument.

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to put to the Minister of Labour a question which would be of a statistical nature. My question is this. What was the balance in the unemployment insurance fund as of September 30 last?

Mr. Speaker: Order. I really believe the hon. gentleman knows that a question of that sort is definitely one for the order paper.

Mr. Howard: Mr. Speaker, I rise on a point of order, and it is this. Is your suggested ruling that this is a question for the order paper made on the basis that it involves statistics, or upon what basis is it made?

Mr. Speaker: Not only do I feel that the question is statistical, but I believe that in the ordinary course it is not of the nature of a question that should be asked on the orders of the day, in that the information is that urgently required, as I interpret the rules.

[Mr. Nicholson.]

Mr. Martin (Essex East): Speaking on the point of order, Mr. Speaker, may I say that I think the question is one of great concern and urgency.

Mr. Howard: On the point of order, Mr. Speaker—

Mr. Speaker: Order. Two members are seeking the floor on the same point of order. I recognize the hon. member for Essex East. I will then hear the hon. member for Skeena.

Mr. Martin (Essex East): Thank you, Mr. Speaker. The advisory committee on the unemployment insurance fund in its recent report has indicated to the government that the fund has reached a perilous state.

Mr. Speaker: What is the point of order?

Mr. Martin (Essex East): The point of order is this. In view of that fact surely it is open to the hon. member to ask the government what it is going to do with regard to a fund that belongs to two segments of our population in order to see that there will be enough money available to assist the unemployed.

Mr. Speaker: I recognize the hon. member for Skeena. I am not going to get into any argument with any hon. member, but the hon. member for Skeena was asking for statistical figures; he was not asking for replenishment of any fund.

Mr. Martin (Essex East): That is the consequence.

Mr. Speaker: That is a matter of interpretation which I am not going to enter into. I recognize the hon. member for Skeena.

Mr. Howard: You just now indicated, Mr. Speaker, that the question I was asking was of a statistical nature. On a number of occasions you yourself have suggested that we review certain citations in Beauchesne. I have done that, and I may say that nowhere in Beauchesne or in the practice in this house is there any suggestion of denial of the right to ask a question of a statistical nature, as you have just ruled. If that ruling is to persist I find that, with great respect, I shall have no other recourse than to appeal the ruling and have the house make a decision with respect to it.

Mr. Aiken: Mr. Speaker, may I rise on the point of order?

An hon. Member: There is your authority.

Mr. G. H. Aiken (Parry Sound-Muskoka): The hon. gentleman opposite laughs. I do not think it is fair that the Speaker should be called into question by other hon. members without someone rising to his defence. There has been a remarkable effort on your behalf,

Mr. Speaker, to make the rules apply. Yesterday and today the hon. member for Skeena, the hon. member for Winnipeg North Centre and the hon. member for Essex East have asked questions—

Some hon. Members: Order.

Mr. Chevrier: Let us have the point of order.

Mr. Speaker: Order. I believe hon. members were afforded the privilege of being heard on this point. I think this is a courtesy that is due to all hon. members in this house.

Mr. Starr: Liberal closure is being applied.

Mr. Aiken: During the last two days questions have been asked for the express purpose of raising argument, questions that were obviously out of order. The hon. member for Skeena predicated his question by stating it was going to be out of order.

Mr. Howard: That is not correct; no, sir.

Mr. Aiken: According to Your Honour's ruling.

Mr. Knowles: That is not correct.

Mr. Speaker: Order. I think while the hon. member has the floor and is speaking, hon. members should not make interjections either approving or denying what he is saying. I do not believe this is proper conduct in this house. I would appreciate, on behalf of all hon. members in this house, the courtesy of an orderly hearing of the argument.

Mr. Aiken: Yesterday, Mr. Speaker, the hon. member for Skeena said there was nothing in Beauchesne relating to questions of immediate urgency. He apparently did not read page 149 of Beauchesne, the sixth line from the bottom, which indicates that only matters of immediate urgency may be heard on orders of the day. In addition, he has probably not read the statement in Beauchesne that questions on orders of the day are matters for the Speaker to determine, that they are merely a matter of practice and not a matter of the rules. Certainly, Mr. Speaker, for the five years I have been here, questions of a statistical nature have not been accepted. I believe the hon. member for Skeena should give Your Honour assistance in keeping order in this house of minorities rather than raising questions to cause embarrassment to the Chair and difficulty in carrying on the proceedings of the house.

Mr. Pearson: May I ask the Minister of Labour, what was the state of the unemployment insurance fund at the last report of the advisory committee?

Mr. Speaker: Order. I have to draw to the attention of the Leader of the Opposition the fact that the point of order has not been cleared up. Would he please, therefore, let his question stand until we have cleared up this point?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I say a word on the point of order. I do so in particular because of the remark just made by the hon. member for Parry Sound-Muskoka. Actually he has misquoted what the member for Skeena said yesterday, and the misquotation goes right to the pith and substance of one of the matters that is concerning us.

The hon. member for Skeena is fully aware of the citation in Beauchesne which says that questions must have some urgency. What he objects to, and what I object to, is the new twist that has been put upon this by Your Honour by saying that what is involved is the urgency of getting a reply. I submit with all respect to Your Honour that you have confused this with the wording that relates to standing order 26. In respect to standing order 26, relating to motions to adjourn the house to discuss matters of urgent public importance, there is wording in Beauchesne that says the urgency in that case means the urgency of having a debate. The point the hon. member for Skeena made yesterday was that nowhere in the citations in Beauchesne is there any wording that suggests that questions on orders of the day can be asked only if there is urgency in getting a reply.

It is our view that questions have to have some urgency, some immediacy, but that they cannot be denied because they are only urgent questions rather than questions concerning which it is urgent to get a reply. It seems to me that this is a fine distinction and it is something that does not exist in Beauchesne so far as questions on orders of the day are concerned. If I may say so with all respect, Your Honour is adding confusion to the situation by transposing into our practice with respect to orders of the day questions the phrase that appears with regard to motions under standing order 26. By the same token, I suggest that there is nothing in the citations in Beauchesne regarding orders of the day questions that denies the asking of questions merely because their answers are of a statistical nature.

I recognize, as the hon. member for Parry Sound-Muskoka has just said, that the judgment as to whether or not a question is in order is in the hands of the Speaker. This puts a tremendous responsibility upon Your Honour. But I suggest that Your Honour has to have consideration not only for the practice

of the last five years that some members can quote, but for the practice of the last 20 years that some of us can also quote. I feel that too many new twists, new interpretations, are being brought into the rules in respect of questions on orders of the day. I agree with the hon. member for Port Arthur, who pointed out last night that this should not develop into what it is fast becoming, a contest between members and the Chair. This orders of the day period is a time when members on the opposition side and the government side put questions to the ministers.

I recognize immediately that we have a responsibility. I deny the hon. member's statement that my colleague or I have asked questions we knew were out of order. I think every question I have asked has been a proper one to ask on orders of the day.

I submit there should be very serious consideration before new rules that are not in Beauchesne at all are carried into our practice regarding orders of the day questions.

Mr. Speaker: I fully appreciate what hon. members have said in this regard, and I thank them for their observations. I realize that there has been a change in the orders of the day question period as compared to previous occasions in this house. I had hoped that once we had cleared the debate on the speech from the throne I could present to the house a statement, at the earliest opportunity next week, of what I feel should be the guideposts for the question period. I do not wish to get involved in a piecemeal discussion at this time in that regard. In this context I would prefer to defer my explanation in regard to this matter until such a statement has been made, which I trust will be on either Monday or Tuesday. We have a great many questions on Monday, so I think I would prefer to defer it until Tuesday.

In so far as the reference by the hon. member for Winnipeg North Centre is concerned, that this seems to have degenerated into a contest between hon. members and the Speaker, I say that is the last thing I wish it to be. I sometimes have felt, and I am not being facetious, that all the fast curves and the high, hard ones have not been confined to a certain contest that has been taking place in the United States and in which there has been a general interest by all hon. members. I feel it would be a rather poor situation should the Speaker have to sit as a sort of constable or policeman to police the conduct of hon. members; that would be the last thing on earth I would wish. The position of the Speaker is that of arbiter in this house, to observe the rules which are made by this house and which are binding on the Speaker.

[Mr. Knowles.]

In so far as the orderly conduct of business is concerned, I submit to the house that it is as much the responsibility of hon. members as it is of the Speaker. I bespeak their co-operation, and can assure them they will have the co-operation of the Chair.

In the light of what I have just said perhaps we could defer the point of order raised by the hon. member for Skeena until I have made a full declaration on the subject of questions during orders of the day.

Mr. Howard: Mr. Speaker, as I raised the initial point of order I must say the suggestion that you are going to make some statement outlining guide posts to be followed on orders of the day is not received without some misgiving. It appears to be a completely new departure from past practice over many years with respect to questions on orders of the day, but provided there will be an opportunity given to discuss the question of your guideposts, when they are issued, perhaps we can defer the particular point of order I raised.

I would like to reiterate that in raising the question you had ruled out of order, or were in the process of ruling out of order, I did not, as the hon. member for Parry Sound-Muskoka (Mr. Aiken) indicated, preface it by any reference to anything. It was prefaced in precisely this way, and I shall read it again for the benefit of the hon. member for Parry Sound-Muskoka. This was the original question I asked:

> Mr. Speaker, I should like to put to the Minister of Labour a question which would be of a statistical nature...

Your Honour made a ruling on that and we will defer that particular matter as you suggest, but I am afraid that so far as we have been able to ascertain in looking into Beauchesne, if these questions are to be ruled out of order because they are of a statistical nature, then with great respect there is no other course but for the house to make that decision, as distinct from yourself.

Mr. Aiken: Mr. Speaker—

Mr. Speaker: Order. If we can consider the matter deferred until Tuesday, I will now recognize the hon. member for Fort William.

Mr. Pearson: On a point of order, Mr. Speaker, I have already asked the Minister of Labour a question in the following terms. What was the state of the unemployment insurance fund at the last report of the advisory committee?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I have always tried to be co-operative and helpful to all hon. members seeking information in this house, and indeed

I have volunteered information when it has not even been requested. However, when a question of this nature is asked, naturally I have not got the information. I suggest to the Leader of the Opposition that he could get his question answered much sooner if he placed it on the order paper.

(Translation):

EXTENSION OF BENEFITS TO WORKERS IN U.S.

On the orders of the day:

Mr. Raymond Langlois (Megantic): Mr. Speaker, I should like to direct a question to the Minister of Labour. Does the government intend to do something so that Canadians who work in the United States may be entitled to unemployment insurance benefits?

(Text):

Hon. Michael Starr (Minister of Labour): This question involves a very detailed answer, and I do not think it is proper to give it on orders of the day. I suggest to the hon. member that he place it on the order paper, and I am sure he will get a satisfactory, detailed answer.

(Translation):

Mr. Langlois: A supplementary question, Mr. Speaker.

I did not ask the minister how he would go about it. I just want to know whether he intends to settle this problem.

(Text):

Mr. Starr: Well, if that is all the hon. member wants for an answer, then I say yes.

(Translation):

Mr. Langlois: When, Mr. Speaker?

(Text):

AIRPORTS

LAKEHEAD—REPORTED HAZARD FROM SEAGULLS

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of Transport. Has the minister received a communication from the mayor of Fort William pointing out the hazard to aircraft caused by seagulls at the lakehead airport and, if so, is his department giving consideration to the solution of this problem?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, we have not been able to find any trace of a communication of this sort from the mayor of Fort William, but I can assure the hon. member that the general question of hazards created for aircraft by birds, at or in the vicinity of airports, is one which we have under continuing active study, and in fact we are at present in touch with the national research council in connection with further programs of investigation into this problem.

ST. HONORE, QUE.—REQUEST FOR IMPROVEMENT

On the orders of the day:

Mr. Maurice Cote (Chicoutimi): Mr. Speaker, my question is directed to the Minister of Transport. Is it his opinion that an authorized capital expenditure of $500,000 at the civil airport of St. Honore would really be unreasonable compared with the loss of about $5 million incurred by the federal government in the tragic incident at Bagotville, without taking into consideration the loss of human lives which cannot be assessed in terms of money?

Mr. Speaker: Order. The hon. member should realize that his question sets forth some arguments and observations which are not in order.

(Translation):

[*Later:*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, can the Minister of Transport tell us how many accidents and how many deaths must happen before he considers the construction of a civil airport instead of a military airport?

Hon. Leon Balcer (Minister of Transport): I believe that this question is completely uncalled for.

(Text):

TRADE

WORLD FAIR—INQUIRY AS TO CHOICE OF SITE

On the orders of the day:

Mr. Raymond Rock (Jacques Cartier-Lasalle): I wish to direct a question to the Associate Minister of National Defence. Since *La Presse* publicized on Wednesday, October 10, that a probable site for the world's fair may be Pointe St. Charles, and since expropriation costs of this area may exceed the $5 million Montreal contribution, has any decision been reached as to the choice of a specific site on the island of Montreal for the 1967 world's fair?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, what appeared in the press was, generally speaking, speculation. The question of a site for the world's fair is a matter which is under consideration, and a report will eventually be made on it.

POST OFFICE DEPARTMENT

REQUEST FOR STAMP COMMEMORATING BATTLE OF QUEENSTON HEIGHTS

On the orders of the day:

Mr. J. C. McNulty (Lincoln): I wish to direct a question to the Postmaster General. Since

tomorrow is the 150th anniversary of a critical stage in the winning of Canadian nationhood, in which our Indians played a large part, would the hon. lady consider issuing a special stamp to commemorate the battle of Queenston Heights?

Hon. Ellen L. Fairclough (Postmaster General): Mr. Speaker, a number of requests have been received from various localities in the Niagara peninsula for a special stamp commemorating various stages of that war. The matter has been considered and I believe a stamp will be issued, possibly along the lines of commemorating 150 years of peace or something of that nature, which might give credit to many groups.

With respect to the Indians who, of course, played a very great part at that time, during the last few years a couple of stamps were issued honouring Indians. I do not think they will be singled out for special mention in the stamp I have just roughly described, but some commemorative stamp will be issued. I regret that I am not in a position to give further information.

NATIONAL PARKS

POLICY RESPECTING OPERATION OF PRIVATE COMMERCIAL ENTERPRISES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I would like to ask the minister of northern affairs whether he is presently considering a change in policy for national parks, relative to the operation of private commercial enterprises within them, as current press stories indicate.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, in reply to that question I am happy to inform the hon. member and the house that because of the substantial increase in the number of visitors to our national parks, resulting from the increase in the tourist industry and so forth, we have under consideration at the present time changes in policy and program that will be announced when these become available.

Mr. Fisher: As a supplementary question, could the minister let us know whether, in his opinion, this will require any statutory changes so that we will have the opportunity to debate or discuss the changes in policy?

Mr. Dinsdale: When the decisions are made the house will be fully informed.

INQUIRY AS TO WINTER WORKS PROGRAM

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Northern Affairs and National Resources whether the government has reached any decision to embark upon a winter works program in the national parks as was done last year?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, this is under consideration. We are considering projects, and so forth.

(Translation):

TRANS-CANADA AIR LINES

REPORTED OMISSION OF EASTERN CANADA IN PUBLICITY

On the orders of the day:

Mr. Georges C. Lachance (Lafontaine): I should like to ask the Minister of Transport if he is aware that the advertisements of Trans-Canada Air Lines, which are published in newspapers of the eastern United States and of New York city, inviting American tourists to come to Canada, show various Canadian cities, but that Montreal and all the eastern section of the country are excluded. Did he know about it?

Hon. Leon Balcer (Minister of Transport): I was unaware of that; in fact, I know that the corporations under my department work for all sections of the country, and they consider Canada as a whole.

REQUEST FOR BILINGUAL AIR TRAVEL PASSES

Mr. Bernard Dumont (Bellechasse): I should like to direct a question to the Minister of Transport. Trans-Canada Air Lines have supplied us with passes printed in English only. Could they not be bilingual?

Hon. Leon Balcer (Minister of Transport): I shall pass on the request of my hon. friend to the T.C.A. management.

(Text):

Mr. Frank Howard (Skeena): Mr. Speaker, may I address a question to the Minister of Transport. When he proceeds to draw this to the attention of T.C.A., would he also draw to their attention that the current cards are printed in the United States. It might be preferable to have them printed in Canada.

(Translation):

Mr. Lachance: Mr. Speaker, in connection with the question I asked the Minister of Transport, I was thinking of Trans-Canada Air Lines, and my question was about the advertisements appearing in the New York newspapers. That is why I put the question to the Minister of Transport and I am repeating it.

(Text):

NATIONAL DEFENCE

NATO—DISCUSSIONS RESPECTING NUCLEAR WEAPONS CONTROL

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, I should like to direct a question to the Minister of National Defence. My question arises out of a report appearing in the New York *Times* of October 11 commenting upon the address of General Lauris Norstad, delivered in Paris, advocating that the NATO alliance accept nuclear weapons control—

Mr. Speaker: Order. I definitely here see that this question is asking a minister to comment upon this or that newspaper report as to what it was that person has said. That is definitely an infraction of the type of question that must be asked on orders of the day.

Mr. Matheson: Then may I ask the Minister of National Defence whether the Canadian government has had any discussions with the NATO commanders respecting the important question of nuclear weapons control. If so, has the government expressed any views on this matter?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, as I think is well known, the question of the control of nuclear weapons in NATO has been a matter of discussion for several years, and there have been very extensive and lengthy discussions on that subject.

Mr. Matheson: A supplementary question, Mr. Speaker. Has the government expressed any views on this matter?

EXPORT CREDITS INSURANCE ACT

AMENDMENTS INCREASING LIABILITY LIMIT, ETC.

Hon. George H. Hees (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Export Credits Insurance Act to increase from two hundred million dollars to four hundred million dollars the limit of the liability of the Export Credits Insurance Corporation under contracts of insurance entered into under section 21 of the act; and to provide further for certain changes in connection with the administration of the act.

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

The Chairman: Order. This is the first opportunity I have had to address the committee, and I thought I would beg your indulgence while I thank you for the honour you have bestowed upon me and the people of the riding of Winnipeg South in electing me your chairman and Deputy Speaker of the house. It has been my nature throughout my life to love and indeed even to pursue independence, and it is this philosophy that I will try to apply in my capacity as your chairman.

I wish to thank hon. members who have done me the kindness of making special reference during the debate just concluded to the elevation that I have received, and to each and every one of them, and to all of you on all sides of the chamber, I repledge my dedication to this chair, indeed a reverence for it, and assure you that I will act at all times, with your help, in a spirit of impartiality and fairness.

Some hon. Member: Hear, hear.

The Chairman: Order. The house in committee of the whole on a certain proposed resolution to amend the Export Credits Insurance Act. Shall the resolution carry?

Mr. Hees: Mr. Chairman, the Export Credits Insurance Act at present provides a ceiling of $200 million for export credits insurance under section 14 which the corporation may underwrite at its own risk. There is also a ceiling of $200 million for export credits insurance under section 21 which the corporation may underwrite upon the authority of the governor in council, and the risk is for the government's account. Finally, there is a ceiling of $300 million under section 21 (a) for long term financing.

Under section 21, in cases where the board of directors of the Export Credits Insurance Corporation is of the opinion that a proposed contract of insurance would impose upon the corporation a liability for a term or an amount in excess of that which the corporation would normally undertake, and if in the opinion of the Minister of Trade and Commerce it is in the national interest that the proposed contract of insurance be entered into, the governor in council may authorize the corporation to issue the insurance policy.

Under section 21 insurance policies in force today and commitments given for sales under negotiation have reached the $200 million ceiling. There is substantial additional business in the offing; therefore in order to help exporters make the sales it is proposed that the present ceiling of $200 million be increased to $400 million.

Under section 21 (a) the government has authority, through the corporation, to finance export sales of capital goods. This financing is provided only in cases where credit terms extending beyond five years are required. These separate facilities for long term financing were made available little more than a year ago, and to date contracts totalling some $50 million have been signed. Commitments

to provide for financing total $108 million. Thus $158 million out of the $300 million available has been committed.

While this long term financing is in the nature of export trade promotion, at the same time from the point of view of recipient countries it represents aid to their development programs. All other capital goods exporting countries which provide long term credits to developing countries get recognition for the aid they are providing in this manner. Thus Canada has a fund of $300 million which is being used for aid to the developing countries, and at the same time is of tremendous benefit to Canada's capital equipment manufacturers.

The purpose of the proposed amendment to section 21(a) is to enable the corporation to accept promissory notes direct from importers. The present act restricts the corporation (a) to guaranteeing an instrument—that is, a promissory note—given by an importer to an exporter and (b) to purchasing a guaranteed instrument. The proposed change would facilitate the negotiating of business and improve the administrative procedures.

Both export credits insurance and export credit financing are important features of our drive to get Canadian manufacturers into the export markets of the world. The government for its part is doing everything possible to encourage exporters. With these facilities in Canada we are offering Canadian exporters the equivalent of anything available to exporters in any other country.

The service provided by the Export Credits Insurance Act is available to every Canadian producer, no matter what kind of product he wishes to ship abroad; farm products, fishery products, industrial raw materials, manufactured goods, any kind of product. It is designed to help and encourage all Canadian producers to extend their operations into the export field, by taking the risk out of the export business; it guarantees payment to the exporter. The operations of the Export Credits Insurance Corporation cost the taxpayers of Canada nothing, as the premiums charged for the services rendered are set to just cover the cost of operation. They do not provide a profit for the corporation or the government.

This legislation, as it has operated since December, 1960, when the government decided to use section 21(a) to make long term financing facilities available to exporters, provides Canadians with a service which is equal to that supplied by any other country in the world, and superior to that provided by all but a very few.

This is the kind of measure that is good for Canada, as it enables all Canadian producers to enlarge their operations, and by so doing reduce their costs and make their products more competitive. By making their products more competitive as against those from other countries, both in the Canadian market and abroad, our producers increase their sales and provide more jobs for Canadians.

The need for amending the act to increase its ability to serve Canadian producers is a good indication of how our export trade has been expanding during the past two years. It has been growing at a rate of approximately 10 per cent a year, and this measure is intended to help that growth continue.

The purpose of the act is to help Canadians help themselves to sell their products in all markets of the world, and thereby expand the country's economy and provide more jobs for our people. I hope all hon. members will approve of this measure, and will support its passage in the house. I also strongly urge them to advise the producers in their constituencies of the services made available to them by this act, so they may make use of those services and thereby enlarge their operations.

Mr. McIlraith: I thank the minister for the explanation which he has given of the resolution. The resolution seems to do two things. It asks the committee to pass on the expediency of increasing from $200 million to $400 million the limit of liability of the Export Credits Insurance Corporation under contracts of insurance entered into under section 21 of the act; it also asks for approval of the right to introduce a bill to provide for certain changes in connection with the administration of the act. I assume we shall have an opportunity to see those other administrative changes when the bill is presented to the house, and that there will be time to consider them before the measure comes up for second reading.

The history of this legislation appears to me to be good. I think the provisions which have been made for export credit have done a great deal to assist the development of trade in this country since the end of the war. It is interesting to note the changing problems which have faced exporters as the years have gone on. The problems facing exporters now are wholly different from those which existed when the act was brought into force in 1944. The administration of the act seems to have been good, and the measure has undoubtedly contributed much to the development of our export trade. I would think, therefore, having heard the minister's assurance that authority to expend additional funds is required, that there should be no objection on the part of the committee to this resolution.

There are some questions I should like to ask and some explanations I should like the minister to make in connection with the proposed increase. They are of a purely factual nature, but sometimes it is difficult to obtain the kind of information required in connection with a resolution of this sort. In his opening remarks the minister stated that the amount authorized under section 13 of the act, that is the authority of the corporation to insure, was $200 million. Section 14 of the act provides simply that the limit of the authority of the corporation to insure shall not at any time exceed a total of ten times the aggregate of the amount of the subscribed capital and the surplus of the corporation. The first question which arises is, what is the subscribed capital and what is the surplus of the corporation at the moment? The minister will recall that the word used in the act in section 14 is "surplus" and that the financial statement deals first with the capital surplus paid in by the Minister of Finance and then with the earned surplus. The issued capital is shown at the sum of $15 million and there two items of surplus, capital and earned, making a total of more than $20 million, and it is difficult to see how the hon. gentleman arrives at the figure of $200 million under that section. I have no doubt there is an explanation, and I shall be glad if the minister will give us this information when he replies, because I think it should be on record.

The latest financial statement is, of course, contained in the annual report up to December 31, 1961. If the minister will tell us what changes have taken place in the capital set up since then we would be most obliged.

Then under section 21 I understood the minister to say that commitments at the present time have reached the authorized limit of $200 million, or very close to it. I should like the minister to place on record a list of those contracts. Perhaps he wants to do it in a form which would give the nature of the contracts and not the individual transactions, but I think we should have it. Then under section 21(a) the amount committed, I take it from his remarks, is $158 million. The amount authorized under that section is $300 million, so I take it there is no need to increase the authority there.

I do note from his remarks that he is making some changes having to do with the dealing in paper, the guaranteed paper, and the promissory notes under section 21(a). That raises the question which I raised when the amendments to this act were before the house on another occasion, namely whether or not the operations under section 21(a) should be carried on under a separate corporation, because the operations under section 21(a) are in fact operations in the nature of financing or discounting of paper with regard to exports. There was no strenuous argument in the house as to whether or not that should be done.

I should like the minister to advise the committee whether he has considered that matter further and, if so, what his views are about it. It may well be that it need not be done, but it is something which should be looked at; because the operations of section 21(a), while very beneficial and supplementary to those under sections 13 and 21, are of quite a different nature. It is a point of administration which should receive careful consideration and watching, so that if the experience in administering the act does indicate that the two functions should be separated and that the functions under section 21(a) should be given to a separate corporation, it will be done.

In asking for authority for an extra $200 million under section 21 the minister merely indicated that the present $200 million had been committed. He did not indicate the requirement for the additional $200 million, and I should like him to indicate as best he can what he expects that $200 million to be used for. There is a nice question here as to the amount which should be granted by way of increase which has not been dealt with by the minister, as I think I can show in a minute, and I am sure he will seek to deal with this point.

Another point that has always concerned me with regard to this legislation is that all our export credit transactions are not financed under this one piece of legislation. There was quite an argument in the house during the last parliament as to why the sale of wheat to China was not financed under the authority of this act, bearing in mind that all previous sales of wheat which had been made to communist countries were financed by credit under this act, and bearing in mind also that the act provides what seems to be the type of machinery required for financing that kind of transaction. I think it fair to say of the last house that hon. members generally approved the sale of wheat to China. I think there was no controversy on that point.

Some hon. Members: Oh, oh.

Mr. McIlraith: Well, the hon. member for Athabasca interjects, but may I remind him that he will find that exact remark in my previous speech on this measure.

Mr. Bigg: I did not interject.

Mr. McIlraith: I am sorry; it was another hon. member. In any event, that is an exact quotation of what I said earlier on that very subject, so there can be no doubt about it.

I think it is a fair statement to say that there was no opposition at all to the sale of wheat to China.

The question raised by me was as to the legality of the guarantee given by the government; because instead of giving it under this statute, where authority is clear, the government gave it under an order in council which does not make any direct reference to the authority for that order. When I placed a question on the order paper as to what was the authority for that order in council, I was given an answer which I must say was not a model of clarity; that is putting it very gently. In any event, it appeared from that answer to be claimed that the authority lay in section 11 of the wheat board act. Of course section 11 of the wheat board act, according to the best opinions I can find on the subject and certainly from my own reading of the section, and from anybody else's to whom I have shown the section, does not authorize any such guarantee at all.

The significance of that is this; that under the Export Credits Insurance Act, with which we are now dealing, the necessary orders in council are required to be tabled within a certain time limit, and an opportunity is given hon. members to find out the facts and deal with the matter. I want to ask the Minister of Trade and Commerce if the extra $200 million he is now asking is intended to be used to finance the further sales of wheat to China, or what are his intentions as to the use to be made of this sum.

I for one take exception to the method used for the guarantee on the large wheat sale to China. I think it withheld from the house the right to know about and to discuss a matter that is of prime concern, and which must remain the responsibility of the house, namely the expenditure or commitment of public funds or taxpayers' money, however worthy and beneficial to the community at large. I have always been mystified as to why the government did not adopt the proper method of bringing that transaction before the House of Commons, either by bringing it under this act or, of course, by means of an item in the estimates, as can be done. Therefore I hope the minister will deal with that point.

The minister also made a general reference in his remarks to the increase in export trade. The feature about that which alarms many hon. members is that a very large proportion of that increase in export trade, at least on the figures available for last year, represents sales on credit to communist countries. That raises a difficult question, but one that it is a mistake to brush aside, and it should be faced. I hope our export figures will go up sharply, but it would be a foolish person indeed who did not recognize that there are very great problems facing our exporters.

I am critical of the government for not taking other appropriate measures to increase our export trade. The government have brought in amendments to this measure from year to year as required. They seem to use this act, as far as I am concerned, rather well in relation to the needs of the exporters; but with regard to other more important matters of policy in relation to other governments or to other countries, in my view they have been either mishandled or neglected. I hope that in granting approval of this resolution for this increased authority under the Export Credits Insurance Act, we are not to be interpreted as in any way acquiescing in or condoning what I regard as the scandalous mishandling of our international trade negotiations.

I have reference to what I regard as the wholly wrong method of handling of the common market problem, starting off with the action of the Minister of Trade and Commerce and the Minister of Finance with their speech at Ghana, which speech incidentally was not released to the House of Commons although it was released to the press. It seemed to be a rather strange way of doing things. In any event, when we obtained the text from the press we found that it showed a shocking lack of understanding of the nature of the developing trade problems of the world and the appropriate methods by which to meet them.

I do not intend to redebate the matter now, but anyone concerned with the development of export trade must indeed have been greatly troubled by the negative and destructive approach of the Prime Minister at the recent meeting in London, where his whole approach to the problem was to prevent a healthy development of export trade and to fail to seek in that relationship and in that context to develop our trade. Then again there is to be considered the failure of the government to appreciate the tremendous changes in trade policy that have come about in the United States in the last few months, more particularly in their relationship to the common market. It seems to me that we should have immediately taken steps to come into proper relationship with those changes so that when the negotiations are carried on with the common market it will be our industry and our producers who will have the opportunity of participating in any advantageous agreement that can be made and not merely an agreement for the benefit of the particular industries and producers of the United States, with our benefit being merely

to the extent that we produce the same things or have the same industries. It seems to me that in that matter there was on the part of the government a failure that is not helpful in increasing our exports.

Then, of course, there is to be taken into consideration the whole unfortunate attitude with regard to trade with Cuba. As far as I am concerned it has always been a reflection on the present government. I cannot put the matter any more directly than that.

An hon. Member: Tell us your idea.

Mr. McIlraith: The hon. member raises that question. We start right off with some of the nonsensical remarks of the minister, one of which was that you cannot do business with any better businessmen anywhere in the world than the Cubans. I think you just do not handle a difficult subject in that way in apparent conflict with our neighbour to the south with whom we do a greater volume of trade, by a very large margin, than any other country in the world. When they are adopting one policy we do not carelessly go about acquiescing in what may amount to back door methods of defeating their policy. I believe the government has become a bit more watchful following some episodes early in the year and at the end of last year, and I am appreciative of this fact. To that extent I give them credit. However, that is a difficult situation. I think the government's handling of it has been clumsy to say the least.

There is one other aspect of this matter of export trade that I should like to mention. This measure before us, as I say, should be helpful to the export trade. However, there has been one bad weakness on the government's part, and it is this. In dealing with the balance of payments problem, which is so current in these days as indeed it has been for some considerable time, or when that subject is being debated or discussed, it seems to me that the government are looking only at the part that has to do with commodity trade or merchandise trade. Merchandise trade is only part of the problem in the field of balance of payments. The minister again has made grievous mistakes as, for instance, when he liquidated our fleet that was carrying our exports to the West Indies, with the effect of having all those exports that we sent to the West Indies now shipped in the main in foreign bottoms and paid for in foreign exchange rather than in Canadian currency. Losing that earning capacity was a bad mistake. There is also the question of insurance of the ships and other related matters.

Again I mention that matter because this measure must be looked at in its proper context. It appears to be a good measure. We shall wait until we see the bill itself but, as it is worded, the resolution would appear to indicate that it is a good measure with regard to the part of the export trade problem with which it deals. My only hope is that the government, which seems to have made so many and such grievous mistakes with regard to the other larger part of the subject of foreign trade, will follow the example of their actions under this act. In that way we could perhaps really get to the solution of our problems which, I am sure, must weigh heavily on the minds of all hon. members on all sides of the house. I would ask the minister whether he has available for tabling information about the contracts under sections 13, 21 and 21(a) and if he will table it at a convenient opportunity.

Mr. Nesbitt: Section 14.

Mr. McIlraith: Section 14 is the limit of the authority to insure. If that information is available I would appreciate receiving it with a view to doing a bit of questioning on it before the resolution passes.

Mr. Thompson: At the outset I think we should note that we have three pieces of constructive and essential legislation before us to consider today. I think we should remind ourselves that if it had not been for the fact that we have kept parliament sitting against the wishes of those who would try to wreck it in the hope of some quick advantage, these useful pieces of legislation would have been indefinitely held up, to the great inconvenience not only of Her Majesty's loyal subjects but that of the entire Canadian economy as well.

I think this particular piece of legislation is worthy of support, as it enters into one of the basic needs of our economy with regard to facilitating the exportation of our surplus production. The increase that is suggested from $200 million to $400 million, ought to make a worth-while contribution in connection with this entire problem. The only comment I have to make—and I may say I am speaking generally and not specifically—is that the capital for this corporation comes from the consolidated revenue fund. If it is to be increased I think it would be much more practical if it were done through the facilities of the Bank of Canada rather than through the taxpayers' pockets. Why should our internal currency be deflated for a guarantee fund that will be frozen to cover the export situation?

In this regard, I think we have come to a crisis in our problem of international settlements. In the same way that we were in

serious trouble internally in the 1930's in regard to the gold standard, so are we now externally in trouble in the 1960's. I believe that serious consideration should be given to this aspect of the problem. I have a number of times suggested that the time has come for us to consider the establishment of a permanent export-import bank that would deal with the problem that is being raised at this particular time through a different approach than the one that is now being taken. But in saying that I am not trying to minimize at all the importance of the point at which this legislation is aimed. I note that there are other amendments of an administrative nature that are being contemplated, but there is very little detail given about those. I trust that they will be made available to us.

In so far as this increase in the assets of the corporation is concerned, and following up the reference the hon. member for Ottawa West has already made, I wonder how much of this money is to be used to finance credits that have been extended to the different communist countries in connection with the sale of wheat. Does this mean that the money will be used to cover past sales, or will it be used for future sales that are contemplated? I think I should make my own stand clear in this regard. It has been confused, perhaps, in the heat of political battle during the election campaign. It is not a question of being against the sale of our surplus wheat to communist countries. It is a question of whether we are fulfilling our obligations to those who are on the friendly side of the fence in this battle of ideologies in which we are engaged today.

In that regard, I wonder what thought the minister has in connection with facilitating the use of these credits about which we are talking to such neighbours as we have in the Caribbean and in Latin America. Certainly with the international threat that confronts us in our own hemisphere at the present time we ought to be giving some lead to this hemisphere in facing up to our responsibilities to the nations that are friendly with us and who are caught in the squeeze that is taking place in the economic struggle so far as the communist ideology is concerned as opposed to the western way of life. This applies specifically right here on our doorstep. It applies, I believe, to the Caribbean right now. It applies to Latin American countries. Following up again some remarks which the hon. member for Ottawa West has made, I believe it applies specifically at this time to the commonwealth as well.

So far as we are concerned, the question involved in whether or not Britain joins the European common group at this time is, what are we going to do in the future if she does?

Perhaps this thing is being precipitated on us faster than we are prepared to meet it. At any rate we still have to face up to it, because Britain in her dilemmna at this time is being forced into some action. I feel, therefore, we should give careful consideration to assuring that a good part of this increased credit is used in connection with commonwealth trade. I believe, too, this could be a starting place with regard to some kind of revision of the settlements problem within the commonwealth of nations. Here we have an organization, which does not need a treaty of Rome to preface it with a political foundation. We have that understanding and that mutual respect for each other that would permit us to go ahead to a greater degree than we already have.

I note also that the minister mentioned the fact this change will permit the government to finance the export of capital goods as well as primary goods. I feel this is essential also and, without going into the details, the general principle is good and deserving of support from every one of us as we are trying to face up to the crisis in which we are at this time.

Mr. Scott: If I could say a few words in connection with this act on behalf of the members of this group, it would be to say that we welcome this piece of legislation. We feel it will be of increased assistance to the export trade. Much attention has been devoted in the debate so far to increasing our exports, and I know all hon. members are aware of this problem and are prepared to assist any enterprise that will forward that purpose. I do not want to go into the whole problem of export trade at this time because I do not think it is pertinent. However, at a later date our group does intend to lay before hon. members of this house a new and, we hope, imaginative program for consideration in connection with the whole problem of export trade.

I should like to dissociate myself, and I hope our group, from the sentiments expressed by the saviour of the house, who just spoke, and the representative of the Liberal party. We in this corner are becoming just a little bit weary of the amount of time the official opposition is taking up in this house fighting against trade with China and Cuba. We feel that any effort that can be made to expand trade with all the countries of the world is proper and laudable, not only for economic reasons but as a means of increasing our understanding of each other. This would be our position in this regard.

Now, Mr. Chairman, in reviewing the history of the Export Credits Insurance Corporation from its inception in 1944, and in

observing its growth through the various amendments that have been brought into this house to increase its capitalization and increase the scope of its activities, one cannot help but realize that, on the whole, this has been a very beneficial act, a very good piece of legislation. We welcome it because we think it is a step in the right direction. We endorse it because it is a form of government assistance, government planning, government help that we think has been beneficial. We have reservations that it has not gone far enough, that its direction should be changed somewhat, that its activity should be expanded. But it is interesting to note, Mr. Chairman, that throughout its history this corporation has fulfilled a great need in our export trade that was not fulfilled by private financial institutions. It was a field they would not enter because the possibilities of profit were not great enough. This corporation has entered this field and it has fulfilled a very definite need. In addition, I am sure much to the astonishment of private enterprise, it has managed to show a profit.

In passing, Mr. Chairman, there is one reference that we would like to make. It is not a criticism of the provision of additional financing for export, but we find it regrettable that, while we are extending $200 million in credit for export, we are not making available development capital. This is not a criticism of exports, but to us it seems fallacious to neglect the internal growth and internal development of investment within your own boundaries while concentrating on exports. This is only a passing reference. I repeat that it is not a criticism, but it is regrettable that we cannot make available internally the necessary development capital we need, because it is internally that our real problem lies and it is there the real solution must be found.

One other observation we would like to make at this point is that the New Democratic party would like to see greater emphasis being laid, under the act, upon the provision of low interest loans to underdeveloped countries to enable them to buy our goods and build up their own economies. Some action was taken under this act some years ago when it was first introduced, but the facilities for extending loans to other countries ended in 1947 and since that time relatively little has been done in this regard. We would like to see the emphasis changed somewhat under the corporation so that low interest loans could be made available to underdeveloped countries.

In this regard, Mr. Chairman, I would like to draw the attention of hon. members to an article in this morning's *Globe and Mail*. It is the report of a speech by Sir William Iliff, vice president of the international bank for reconstruction and development. In it he states that the industrial development of the poorer nations is in danger of coming to a halt unless fresh funds are made available by the richer nations in interest free loans. He goes on to explain that many of the less developed countries have borrowed up to the limit of their ability to meet interest charges on conventional loans, and he says that is why a larger and larger proportion of their incomes has been mortgaged to meet annual debt service payments.

He goes on to say that what is needed is a firm decision by the richer countries, including Canada, that they will contribute a certain proportion of their national incomes each year to help the poorer countries. He predicts that unless the flow of capital into the underdeveloped countries is maintained, there will be a depression in world trade and political turmoil in the poor countries.

It is for that reason we would suggest that while all commercial aspects of the act are very important, helpful and beneficial, greater attention should be paid to the provision of low interest loans to the underdeveloped countries; because if we do not provide this assistance we may precipitate very serious situations.

Basically we welcome the act at this time. It is beneficial and helpful, and although we have some reservations about it they can be dealt with on committee stage.

Mr. Hees: If it is satisfactory to hon. members I would like to keep fairly current with their questions. I shall not take more than five minutes. The hon. member for Ottawa West asked four questions. First he asked about the operating capital of the corporation under section 14. The operating capital is ten times the aggregate of the subscribed capital and the surplus. The capital is $15 million and the surplus $5 million, making a total of $20 million; therefore the operating limit is $200 million.

Mr. McIlraith: Just to clarify that, what about the earned surplus?

Mr. Hees: It does not give the earned surplus. It is the surplus.

Mr. McIlraith: It just says "surplus" in the act.

Mr. Hees: Any earned surplus is passed back to the Department of Finance.

Mr. Drury: It does not show that.

Mr. McIlraith: The balance sheet does not indicate that.

Mr. Hees: The hon. member asked me to give him the basis for the 200 million limit,

and I am trying to do that. Section 14, page 7, of the Export Credits Insurance Act reads as follows:

> The liability of the corporation under the contracts of insurance issued and outstanding shall not at any time exceed a total of ten times the aggregate of the amount of the subscribed capital and the surplus of the corporation.

In section 10 it says the following:

> The authorized capital of the corporation is fifteen million dollars, consisting of the five million dollars authorized prior to the coming into force of this section and an additional ten million dollars.

Then over on the next page, in subsection 4 it says:

> The amount of five million dollars credited to the capital surplus account of the corporation prior to the coming into force of this section shall continue to be the capital surplus of the corporation.

Therefore it is ten times the $15 million capital plus $5 million capital surplus, making a total of $200 million as the operating limit of the corporation under section 14.

The hon. member also asked what are the outstanding commitments under sections 21 and 21(a). First of all the commitments under section 21, liability under current policies, are as follows: Czechoslovakia, $15.6 million for wheat; Poland, $51 million for wheat; Brazil, $0.3 million for steel rails; Mexico, $10.1 million for steel rails; United States, $61.8 million for aircraft, making a total of $138.8 million.

Then, Mr. Chairman, our additional outstanding commitments at the present time are $34 million for wheat for Poland; under negotiation or other possible wheat sales amount to $21 million, and for possible aircraft sales to $6 million. Therefore we have a total of $138.8 million of existing liabilities and an additional $61 million of commitments giving us a total of $199.8 million out of our $200 million.

The hon. member also asked what business we have done under section 21(a). The business done up to December 31, 1961 is outlined on page 13 of the Export Credits Insurance Corporation's annual report, issued December 31, 1961. In addition to that the corporation has done the following business this year: $1 million worth of road graders, the Dominion Road Machinery Company, passed by order in council 1962-753; General Motors Diesel Limited, locomotives to the amount of $6,048,000 under order in council P.C. 1962-338; and for R.C.A. Victor the item is not specified but I suppose it is electronic equipment, to the amount of $1,620,000 passed by order in council 1962-123. That is the total business done under section 21(a).

The hon. member also asked whether section 21(a) should not be under a separate organization. The answer to that is no. This has been considered by the corporation, and it is felt there is no reason for putting section 21(a) under a separate organization. The experience of the other two countries mainly concerned with this type of operation is that in the United States their export and import bank handles both insurance and finance, and in the United Kingdom their export credit guarantees department handles both insurance and finance. We see no reason for handling section 21(a) under a separate organization. The operations of insurance and financing are being handled very well by the corporation at the present time, we believe.

The last question the hon. member asked again raised the question of the $50 million wheat deal with China. He asked why it was not handled—

Mr. McIlraith: It is $100 million.

Mr. Hees: The $100 million wheat deal with China. The hon. member asked why that was not handled under section 21. The answer is that in the spring of 1961, when the wheat sales to China were being negotiated by my colleague the Minister of Agriculture, the ceiling of liabilities that Export Credits Insurance Corporation could approve under both sections 21 and 21 (a) was $200 million. The liabilities under policies in force and commitments given totalled $162 million, leaving only $38 million available. As hon. members are aware, the initial wheat sale to China was of the order of $50 million, so it would have been impossible for the Exports Credits Insurance Corporation to insure those sales under the ceiling of liability then in force.

The hon. member inquired whether this extension being asked for now would be used to finance wheat sales in the future, and of course—

Mr. McIlraith: Sales to China.

Mr. Hees: —sales to China, or any wheat sales. The answer is that it would depend upon the circumstances existing at the time and what other outstanding commitments there were. But I would assume that in future wheat sales to any country would be handled by the corporation, provided there was enough money available at the time to handle those sales.

The hon. member for Red Deer made a very constructive and interesting speech. He did not ask any specific questions. I can assure him that the suggestions and ideas he put forward received great attention from myself. I found them very interesting.

My neighbour the hon. member for Danforth, who is very close to me, made a very interesting speech also. I listened to it with interest and appreciated the remarks he made

on behalf of his party. I appreciate very much the committee giving me the opportunity to answer questions in this way, and I thank hon. members who, with great consideration, allowed me to keep current with these questions. During the rest of the day I will be looking forward to hearing speeches by other hon. members expressing views on what I consider is a most important measure.

Mr. Argue: Mr. Chairman, I wonder if I may ask a question of the minister and make a very, very brief comment. I noted with interest the minister's remark that in his opinion any wheat sale to China that is made in the near future will be financed through this act if there is money available.

Mr. Hees: I said, in all probability.

Mr. Argue: "In all probability" is good enough. I did not want to misquote the minister. The minister outlined some possible future commitments under this act. One item to which he referred was a possible $21 million for the sale of wheat. This is the thing that concerns me in all these statements by the minister. From what he has said there is no indication that China is prepared to take up the balance of the contract soon, because I do not think the $21 million referred to by the minister is anywhere near the amount that would be involved, if this is the case.

I would hope that China will complete the agreement; I would hope this sale can be made soon; I would hope the financial arrangements which are necessary will be made under this act. If it should be that there is not money, then do it under an amendment to the act or by some other means. But it is a bit disturbing to me that the minister has not been able to say this morning that possible sales in the near future would involve much more than $21 million. Therefore I wonder whether he has any information as to the possibility or the likelihood of China going forward with the balance of the agreement and taking up this wheat. There is a tremendous surplus in the country, and farmers are most anxious to have this sale completed.

Mr. Hees: Mr. Chairman, I would like very much to comply with the hon. member's request and give him the information, but I am afraid I am not able to do so. That information must be obtained, of course, from my colleague the Minister of Agriculture, under whose jurisdiction the wheat board operates and who handles these wheat deals. My job, through the Export Credits Insurance Corporation is, to handle export credits and export financing when credit and financing are requested; and if they are requested by my colleague the Minister of Agriculture I am very glad to comply. But I am afraid, however much I would like to give the answer, I cannot do so because it must come from my colleague.

Mr. Argue: Mr. Chairman, I very much appreciate the remarks the minister has now made. I am not endeavouring to be critical of the minister in any way, but it is amazing to me that the Minister of Trade and Commerce is not in a position at this time to say that China is likely to take up the balance of the wheat called for in the agreement. I appreciate that it is not in his department; I appreciate that he has to hear from his colleague the Minister of Agriculture. However, I am absolutely amazed that the Minister of Agriculture has not given this information to the Minister of Trade and Commerce or, more specifically, has not been in a position to assure the house and the farmers in the country that this agreement will be completed and the deliveries made in the near future.

Mr. Morris: Mr. Chairman, I first wish to thank the hon. member for Vancouver South for yielding the floor in order that I might make a brief observation at this time. This is the type of legislation which I think might well be coupled with the greater use of Canadian ports. I was struck by the fact that in his opening remarks the minister said that with which I think we all agree; that is, this measure is good for Canada. I want to suggest that it might perhaps be even better for Canada if it were associated with either regulatory or incentive action to assure that those who benefit from it would spread the benefit by the use of Canadian ports.

The minister, who has a reputation for being sympathetic not only to trade matters but to Canadian ports, particularly in his earlier capacity as minister of transport, well knows that the federal treasury has a very large capital investment in Canadian ports. This is now running to some $368 million, including $39 million at Halifax, $36 million at Saint John, $154 million at Montreal, $40 million at Vancouver and so on; and there are other substantial capital asset investments.

Under this legislation the corporation is empowered to insure certain export contracts and also to finance long term exports of capital goods. I wish at this stage only to ask this question of the minister before the bill passes all stages in the house. Would the minister, in consultation with the corporation, consider the possibility—as other nations do—of coupling this kind of legislation guaranteeing insurability of certain exports and

financing promissory paper of other importers with regulatory control to provide that those who benefit from it should utilize Canadian ports throughout in these transactions covered under sections 21 or 21(a)?

If this is not possible within regulatory authority, would the minister consider, in consultation with the corporation, having the corporation make clear to the beneficiaries, including Canadian manufacturers, other producers and the importers, that it is the avowed purpose of the present government where Canadian taxpayer funds are involved, either actually or potentially, that the beneficiaries thereof shall utilize Canadian ports not only for the benefit of those ports but of all those backed up behind the ports—railway workers, highway employees, transport workers and the like.

I would ask the minister to tell us at a later stage in the consideration of this legislation—legislation which I am sure will recommend itself to all members of the house—whether he does not think it would be desirable to insist upon Canadian ports being used under regulatory authority; or, if that should not be possible, whether he does not think it would be wise for the corporation to take all the steps it possibly can to acquaint the beneficiaries of this measure with the fact that since Canadian taxpayers in all parts of Canada are helping to finance this legislation, Canadian ports should have their proper share of the advantages which flow from it.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

(Translation):

The Deputy Chairman: Order. My first words will be to thank all of you for the confidence you placed in me by approving unanimously my appointment as deputy chairman of committees. With your co-operation and your indulgence when I shall speak English, I hope to prove equal to the responsibilities pertaining to this office. I shall do my best to conduct our proceedings with fairness and equity, and if it ever happens that someone felt wronged by any of my rulings, it would be without any ulterior motive on my part, I can assure you, because I am anxious to co-operate with everyone of you so that our debates will always be for the common good and in the best interests of the Canadian people.

(Text):

May I with my first words thank you for the confidence you have placed in me in adopting unanimously my appointment as deputy chairman of committees. With your co-operation and indulgence in respect of my English, it is my hope to fulfil all the obligations of this office. I shall attempt to preside over our deliberations with justice and loyalty, and should anyone feel that I have been wrong in a decision he may be assured that I shall not have done so wilfully, since I have at heart a desire to co-operate with everyone so that our deliberations will always be for the good of all and in the interests of the Canadian people.

Mr. Hees: Mr. Chairman, I feel sure all members will join with me in congratulating you, the deputy chairman of committees, in assuming your duties for the first time. I know we are all sure that you will do an excellent job in your new position.

Mr. Chairman, before the luncheon break, the hon. member for Ottawa West made a suggestion which I have considered, and which I think is a good one. He suggested that from the point of view of clarification it would be an improvement if the surplus of the corporation could be more clearly described as the capital surplus of the corporation in section 14. I believe that the description referred to would be better if it read as follows:

> The liability of the corporation under the contracts of insurance issued and outstanding shall not at any time exceed a total of ten times the aggregate of the amount of the subscribed capital and the capital surplus of the corporation.

I shall have this matter checked by the Department of Justice and, provided it rules that the inclusion of the word "capital" is satisfactory, I would appreciate it if the hon. member would suggest it as an amendment when we come to the specific item in the bill when the matter comes up on second reading for consideration.

(Translation):

Mr. Ouellet: Mr. Chairman, I should like first of all to congratulate you on your appointment as deputy chairman of committees. You said that this is the first time such an honour has been conferred upon you; likewise, it is the first time I have had the privilege of addressing the house.

I must commend the Minister of Trade and Commerce (Mr. Hees) for introducing an amendment to the Export Credits Insurance Act. Could the minister tell the house whether Canada has lost any money with a foreign country since the Export Credits Insurance Corporation was set up and, if so, what was the amount of such loss?

According to yesterday's newspapers, every second a human being dies in the world because of starvation. That is truly sad, I

agree, but I feel Canada must administer the Export Credits Insurance Act on a sound business basis because we are already most charitable and our generosity is acknowledged all over the world. Under the circumstances, we must look after the interests of Canada.

If we have not lost any money on world markets because of this statute, I feel it would be in the interests of the house to approve this resolution which will benefit our trade, because exports are our main concern.

Therefore, I should like the minister to give to the house the amount of our losses, if any, since the adoption of this statute.

(Text):

Mr. Laing: Mr. Chairman, I am sure that the committee is indebted to the minister for having made his additional statement, and for the answers he has given to questions which are raised. I am particularly interested in the development of this corporation because I went back to study the wording when the bill was in resolution stage in 1944. It was then worded in this manner:

> Whereas, it is desirable to promote the revival of trade by establishing a corporation to insure against loss caused by insolvency, delays in connection with the export of Canadian-produced goods, and during the period of transition from war to peace by providing for loans or guarantees to governments of other countries or their agencies—

I think all hon. members in this committee will agree that we have come a long way from the original concept of this corporation. The minister is obviously no longer interested today in the revival of trade. He is no longer a revivalist. I think he is an expansionist today, and I think it is worth paying some attention to the change which has come over the corporation and its concepts.

I have read the annual report for the year ending December 31, 1961, and I would say that it is a statement of a corporation that is exceedingly well managed. I would point out that across the years they have stood behind the sale of over $1 billion of Canadian goods exported to foreign countries, and out of defaults they have incurred a loss of only some $925,000. I believe that is a loss of about one tenth of one per cent, and I am quite certain that any Canadian businessman would like to have his losses out of non-collections reduced to that amount.

I think that a compliment is due to the important and responsible civil servants who are the directors of this organization. In addition, I notice that there is an advisory board. While I do not know personally all the members of the advisory board, I know them by reputation and I may say that they are an exceedingly competent group of Canadians. The only thing that concerns me is that, according to the annual report, it is quite obvious that this advisory board is brought together only once a year. Provision was made for some $2,800 only, I think, for a meeting of the advisory board. I would counsel the minister to give some thought as to whether or not it would be advisable for this advisory board to work more closely with the directors than they have been doing.

The minister suggested that we as members of parliament should be salesmen for the corporation and that we should go back to our people and advise them that these facilities are available. I believe the advisory board are in a better position to do that kind of thing. Two of them are resident in the city of Vancouver and they are very competent people. If those who are interested in using this protection in order to export goods abroad were to get in touch with these members of the advisory board, were to know who they were and were to discuss matters with them, I think it would facilitate many of the representations they make to the corporation itself.

Just before we rose at one o'clock the minister, in reply to the hon. member for Ottawa West, was good enough to give him a breakdown of the responsibilities the corporation has today. This is my only critical comment, and I wish to tell the minister that I am extremely critical with regard to this matter. I refer to the fact that all the eggs are in very few baskets. This certainly was not the original concept of this corporation. It seems to me the concept was to support small manufacturers in Canada. I would hope the minister would admit to us now that he would much prefer to supply backing through this corporation to 10 companies of $100,000 each than to one company of $1 million. Here we have Czechoslovakia with $15.6 million for wheat; Poland with $51 million for wheat; Brazil with $0.3 million for steel rails; Mexico $10.1 million for steel rails; the United States $61.8 million for aircraft; and an additional $34 million for Poland for wheat; possible aircraft sale, $6 million. Then we find the $200 million is gone because the figures total up to $199.8 million. I wish to say to the minister that I would be a very poor salesman for my particular riding as we do not grow very much wheat there. I think one of the weaknesses of corporations such as this one is this. Our government corporations which are doing extremely beneficial jobs seem to have had it impressed upon them that it is almost unthinkable that they do any advertising. I believe the time has come when we should let the public know these services

are available by some means or other, certainly by some means that are more effective than those employed at the present time. I would draw that matter to the minister's attention.

I am quite certain that we have in Canada firms which are doing an excellent job in the new field of electronics. Some of them are known already as exporters and do not need the facilities provided by this corporation. However, I think there are many others. Rather than restricting the matter to two or three commodities and to 10 or 12 corporations, I would think we wish the widest possible use of the facilities of the corporation and I think that some advertising in that direction would be beneficial.

My one final concern about this matter is that there might be a tendency—and I wish to put this on the record—or a danger, because of the size of each of these commitments, for corporations to use the facilities of this guarantee as a crutch—and I think the minister needs to be careful in that regard—rather than making arrangements as far as they possibly can, which again was the original concept when the bill was first introduced. There was almost the feeling at that time that we are doing this as a last resort. We would much prefer the corporations to make their own arrangements, but because of political difficulties at the end of the war and, I take it, a tremendous world disturbance in currencies, the government set up this corporation. I think the minister would agree that he would still prefer that as many as possible of the sale arrangements with foreign countries by Canadian corporations be made without the use of this corporation, and that in actuality what he is attempting to do is to make possible sales of Canadian goods in those territories where, without the support of this corporation, they would not be possible. However, I suggest that we should be careful that this facility is not used as a crutch by the larger corporations; and I think there is some indication of that danger in the figures which the minister was good enough to provide to the house before we rose at one o'clock.

Mr. Hees: May I answer a couple of questions? The hon. member for Drummond-Arthabaska asked me whether I could let him know the total amount of losses which the corporation has experienced in its life of 17 years. May I say that the corporation has made payments amounting to $10,613,580—and I shall be glad to send these figures over to the hon. member—and has made recoveries amounting to $8,515,892, for a net loss on claims of $2,097,688 over the 17 years. As I have told the hon. member and hon. members, the corporation aims to operate as closely as possible to a break-even point. The net losses on those claims have been covered by the premiums charged on the insurance issued.

The hon. member for Vancouver South mentioned the advisory council and the interdepartmental committee. He asked for some information on the advisory council. May I say that the advisory council met in June of this year and will be meeting again next month. As I think he knows, individual members of the council consult with officers of the corporation, and are consulted by officers of the corporation quite frequently. The interdepartmental committee of deputy ministers and men of that calibre meet as often as necessary to work out policy for the corporation.

With regard to putting too many of our eggs in one basket, as he described it, I should like to clear that point up. I was asked by the hon. member for Ottawa West if I would outline the business that had been done under sections 21 and 21(a), and I did so prior to the luncheon recess. The business done under section 21 is business which is not ordinary, regular day to day business, but that which is decided to be good business by the corporation and is proceeded with for that reason. These are usually large and rather extraordinary sales of wheat, machinery and things of that kind. However, the regular day to day, what might be called bread and butter business of the corporation is done under section 14. A very large number of transactions are carried out under section 14 involving producers of every type, size and kind all over the country. I should be very glad to let the hon. member for Vancouver South have a record of the transactions that have been made. They are very numerous. I can assure him that the corporation has no intention of placing all of its eggs in one basket. We are very anxious to do business with all types of producers in every part of the country. I feel that clears up the point for the hon. member.

Mr. Nesbitt: The minister has already pointed out the need for an increase in the ceiling on the amount of insurance available, I shall not, therefore, elaborate on that. This need, of course, is due to the greatly increased exports resulting from the government's drive to increase sales abroad. In 1961, Mr. Chairman, exports reached record levels. At the end of July, 1962, exports were 11.3 per cent higher than for the same period in 1961.

Now, as a result of the constantly increasing effort of the government to increase exports, sales abroad will undoubtedly continue

to increase and appropriate financial arrangements must be made to expedite those increased sales. What is the government actually doing to increase sales abroad? I feel, Mr. Chairman, everybody is aware of the fact the government is doing a great deal in this respect. However, I always believe in presenting the facts and I am going to do so for the next few minutes.

The first thing I should like to mention briefly that the government has done to increase sales abroad is the export trades promotion conference held in Ottawa in December, 1960. There were 110 trade commissioners who were brought home from posts abroad for this conference. They met with 1,365 businessmen representing 1,133 Canadian firms for a total of 10,502 half-hour interviews concerning export opportunities. As a result, 1,000 new agencies were established and 860 more are pending.

The second thing I should like to mention is the provincial trade and industrial promotion conference. Twelve of these conferences were held in all ten provinces of Canada between February 1961 and February 1962. There were 4,309 businessmen representing 2,472 Canadian firms who attended. The final conference, I may say, was a completely bilingual meeting in Montreal attended by 1,100 businessmen. I may say that the program was equally divided between exports promotion and domestic problems.

The third thing I should like to mention is trade missions. This is a field of promotion that is concerned with export sales, and is most important. During the period 1961-62 there were 47 missions sent out from Canada. During the period 1962-63 there will be 22 trade missions sent abroad. In the period 1963-64 it is contemplated that 33 will be sent abroad. I should like to mention the purpose of some of these trade missions. In January, 1962, a clothing mission was sent to Europe. In February, a home heating and associated builders supplies trade mission was sent to Europe. Again, in February of this year, a fisheries products mission was sent to Latin America. There was a forest products mission to the Middle East in March and April. A general trade mission went to Australia and New Zealand in March and April. There was a trade mission to Israel in March and April. An electrical appliances mission was sent to Europe in March and April. A wood products mission went to Britain in April. There was a heavy equipment mission to Latin America last May. An iron ore trade mission was sent to Europe in May. An electrical distribution mission went to Latin America and the West Indies last June. An electronics products mission was sent to Latin America in September. There was a leather and leather products mission to Europe during August and September of this year. A timber mission went to European common market countries last September. I had the privilege of accompanying that mission for part of the time and I will have some comments to make about it. There will be a forest products mission to Latin America in October. An appliances, commercial machines and medical supplies mission will be sent to the Middle East in October, and there will be an organic chemicals mission to Latin America in November. I am mentioning these as concrete examples of what has been done and what is being done to promote our trade abroad. The people say they want facts, and there they are.

Now, another thing Canada has been doing to promote our sales abroad is sample shows. Four of these have now been held this year. Sometimes people refer to these sample shows as fly and buy. These have been held at Toronto, Montreal, Winnipeg and Vancouver. Businessmen from the United States are brought over to see the samples of Canadian firms in these cities and to buy them. These shows have been very successful. I should like to mention the one held in Toronto on May 22 and 23 last. There were 122 exhibitors and 123 buyers. There was a show held in Montreal on June 19 and 20 last, at which there were 135 exhibitors and 128 buyers. At the show held recently in Winnipeg on October 2 last, there were 51 manufacturers and 58 buyers. One will be held in Vancouver during this coming week on October 16 and 17. At the moment according to information the department has at its disposal, there will be 46 exhibitors and 64 buyers.

Then, another aspect of the government's efforts to promote sales abroad that has been very successful is trade fairs. I have a list of trade fairs here, Mr. Chairman, at which various Canadian firms have exhibited. The period covered is from January 1962 until March 1 of next year and, of course, some of these fairs have not been held as yet. More than half of them have been held and I should like to mention a few of them. There are approximately 35, but I will mention a few just to give hon. members an example of what is happening.

Mr. Caron: On a point of order.

(Translation):

Mr. Chairman, I rise on a point of order. Standing order 59 says that speeches in committee must be relevant to the matter under consideration. And yet, although we are talking about export and import insurance, the hon. member talks about the exhibitions held by the Department of Trade and Commerce here or abroad, but not about insurance. At the

present time, he is only pointing out what the Department of Trade and Commerce has done during the last four years. That is not relevant to the matter under consideration.

(Text):

Mr. Nesbitt: I realize the hon. member for Hull does not understand what was being said—

Mr. Caron: I rise on a question of privilege. I do not believe the hon. member has the right to use those words.

The Deputy Chairman: Order.

Mr. Nesbitt: I was going to say, Mr. Chairman,—

An hon. Member: Sit down.

The Deputy Chairman: The hon. member for Oxford has the floor.

Mr. Caron: Yes, but I brought forward a point of order and I should like to have a ruling on this.

Mr. Nesbitt: Mr. Chairman—

Mr. Caron: The point is that of relevance in our debates.

The Deputy Chairman: The hon. member was speaking to the point of order.

Mr. Caron: Yes, on a point of order.

The Deputy Chairman: I think the hon. member for Oxford was going to speak to the point of order.

Mr. Caron: He did not say so.

The Deputy Chairman: The hon. member for Hull could wait a minute to hear him.

Mr. Caron: He has to say so if he wants to go on in that way.

Mr. Nesbitt: If I may be allowed to intercede on the point of order, I should like to say that the resolution before the committee concerns the increased ceiling on the insurance available for exports. I was merely trying to explain to hon. members of the committee, Mr. Chairman, why it was necessary to raise this ceiling on the amount of insurance available. I was explaining what is going to be done and why it is necessary to have this increased ceiling. If the hon. member for Hull does not understand, then I cannot help him.

The Deputy Chairman: The hon. member for Burnaby-Richmond.

Mr. Pickersgill: Before you call on another hon. member, Your Honour, you have an obligation to render a decision on the point of order raised by the hon. member for Hull.

The Deputy Chairman: The hon. member for Hull raised a point of order about a statement made by the hon. member for Oxford in connection with the resolution we are now studying. Perhaps the hon. member for Oxford will leave that particular aspect of the subject and we can consider the matter settled.

Mr. Nesbitt: Thank you, Mr. Chairman. As has already been mentioned, there are a number of these types of exhibits which have helped to assist increase the sale of Canadian products. They will continue to do so in the future.

Another thing the government has done, and will continue to do in order to promote sales abroad, is the big job called operation world markets. This is another reason why we will need an increased ceiling on the insurance that can be made available. I know the Prime Minister has made announcements concerning this matter, and I do not wish to be repetitious, but I would like to mention four aspects of this operation.

There will first be a world markets machinery and equipment buying mission next March. Second, there will be a national Canadian sample show to be held in Toronto next April, to which more than 500 buyers from around the world will be brought to see Canadian products. Then there will be a Canadian trade commissioners conference in Ottawa later that month.

(Translation):

Mr. Gregoire: Mr. Chairman, I rise on a point of order. Since the house met this morning, it seems to me that everyone has talked in favour of a bill. Why is it then that the hon. member for Oxford (Mr. Nesbitt) tries to talk us into adopting it?

The Deputy Chairman: I believe all members have a right to express their views on resolutions or any other type of measures submitted to the house, and it has often been said that out of debate light is born. Frequently, suggestions by members of the house have been instrumental in improving draft legislation submitted to the house. Therefore, I believe every member has a right to take part freely in the proceedings of the house.

(Text):

Mr. Nesbitt: The last phase of operation world markets will be a second national export trade promotion conference to be held in Ottawa from April 16 to May 3 next year. These are some of the important things the government is doing to promote greater sales abroad; and again I repeat, for the sake of those who do not seem to be able to understand, that the reason we are asking for an increase in the amount of insurance available is to help finance and expedite the increased

sales from these programs which have taken place, are taking place and will take place in the immediate future.

I mentioned earlier that I had the privilege of accompanying, for a brief period, one of our trade missions to the European economic community. This was the timber trade mission which visited five countries, Belgium, the Netherlands, West Germany, France and Italy. I was only able to accompany it to the Netherlands, West Germany and France, but in view of some of the statements made by the hon. member for Vancouver South last Wednesday I think it might be of interest to the house to give a brief account of what goes on in these trade missions. Apparently some hon. members are quite unaware of what happens.

The trade mission consisted of representatives of 16 business firms, representing the timber trade in Canada. They came from all parts of the country and from every province. British Columbia, I might add, was mainly represented by MacMillan and Bloedell, Seaboard, two or three other firms and the North British Columbia Lumbermen's Association. The mission visited all centres which had an interest in the timber trade. It visited Rotterdam, Amsterdam, Bremen, Hamburg, Le Havre, Genoa and other comparable cities.

During the daily programs members of the commission had the opportunity of seeing how timber was used in these countries and the type of building construction native to them, so that our salesmen could have an idea of what uses timber is being put to in Europe. They also had an opportunity of discussing timber uses with architects and of showing them types of timber, some of which had previously been unfamiliar to the architects. On other occasions interviews were set up between European buyers and representatives of Canadian companies at which sales of west coast timber, hard plywoods from Quebec, timber from the maritime provinces and Ontario, were discussed. Our people were glad to find out what were the proper European specifications, what type of timber they wanted and how our prices compared with those of other countries.

As I say, I only mention this in passing because a number of people do not seem to be aware of what these missions accomplish.

Mr. Laing: Would the hon. member permit a question?

Mr. Nesbitt: Certainly.

Mr. Laing: I would like to ask him what relevance his account of that visit to Europe has to the inadequacy of the government's position with reference to sales of timber in the United States?

Mr. Nesbitt: I realize that the hon. member's remarks last Wednesday dealt with Canadian lumber sales to the United States, but some remarks of his dealt with trade and trade measures generally. For that reason I thought he might find this of interest.

I think he would be interested to know that there is a great reservoir of good will for Canada in Europe, and I would almost be tempted to say that, other things being equal, such as price, quality and the like, Europeans would be more likely to buy from Canada if we have fully comparable products to offer them. Of course if we have better products, then so much the better.

As a result of talks I had with our trade commissioners and other people I found out something I thought to be of great interest. They said that some Canadian products which had been shipped to Europe—I will not mention the trade itself because that might prove embarrassing to some of our manufacturers—were not up to standard. Certainly some of the products that have been shipped to Europe in the past are not quite equal in calibre to similar or identical products from some of our competitors overseas. Some of our products lacked the finish or uniformity of similar or identical products coming from Europe.

I want to pass this information on, and I hope it will get to the appropriate sources in this country. If we hope to continue to increase our export sales—and we have to do this—our manufacturers must realize that European countries and other places in the world are not prepared to accept slipshod workmanship, and articles that are exported must be as good as or better than similar or identical articles from other countries in the world. Most of our manufacturers are doing a wonderful job, but there are one or two instances—and I will not mention the trades concerned—where this has not been the case. I hope those trades will note these remarks.

I could not help observing this when I was over there. Hon. members who sat in the last parliament will recall that we used to hear from time to time in this house remarks by the hon. member for Welland to the effect that nobody in Europe would accept Canadian money. I do not know where in Europe the hon. member was at that time, but in the places I happened to visit, in every hotel and every exchange place the top two currencies on the list were the United States dollar and the Canadian dollar.

The Deputy Chairman: Order. I think the hon. member is going beyond the limits of the resolution. We are not discussing all the

transactions or all the business of the Department of Trade and Commerce. We are discussing a measure to increase our exports. I am sure my remarks will help the hon. member to stay within the limits of the discussion.

Mr. Nesbitt: Thank you very much, Mr. Chairman, for your suggestion. I will of course be happy to carry out your instructions. I do not have very much more to say. I just wanted to bring to the attention of the committee some of the reasons for raising this ceiling. Apparently a great many people are interested in some of the things we are doing to promote trade, and perhaps more people will be interested in the future.

In conclusion, Mr. Chairman, I can only say that in view of what I have tried to explain to the committee, I am indeed rather surprised at the speech made last Wednesday by the hon. member for Vancouver South—

Some hon. Members: Order.

Mr. Nesbitt: —because it—

Some hon. Members: Order.

Mr. Nesbitt: —because in that speech he did not seem to realize at all what the problem was concerning our exports abroad. I hope I have been able to enlighten him a little in these remarks.

Mr. Prittie: Mr. Chairman, I did not get into the throne speech debate either, and I shall not use this as a substitute at this time. I just have two, I think fairly simple questions, for the minister. There seems to be a little contradiction in this respect. I have been reading the brochure put out by the corporation, which says that exports to the United States are not covered, and yet the annual statement of the corporation seems to list exports to the United States.

The brochure says:

> Credit insurance is obtainable from commercial companies for sales to U.S.A. buyers.

Yet they seem to be included in the statement of the corporation. My second question is: what was the value of Canadian fish products covered by the corporation in export insurance last year?

Mr. Hees: Mr. Chairman, in answer to the hon. member's first question, I think he is referring to business done with the United States under section 21. Business to the United States is not normally insured in the regular way under section 14, which is the normal day to day insurance business which the corporation does, because there are private corporations in Canada which perform that function for exporters. With regard to goods insured under section 21, that is a special item of business, a special sale not normally insured by the corporation. Therefore it was done, as I explained earlier, under the special section 21, under which the government takes on the responsibility of the insurance for a particular risk.

Mr. Prittie: Mr. Chairman, may I ask the minister another question following that? In the annual report of the corporation they have two headings, one under section 21 which lists $219,000 with the United States, and then it says, "Amount at the corporation's risk, $1,438,000". I took this to be the ordinary type of export insurance.

Mr. Hees: It is not broken down under section 14 and section 21?

Mr. Prittie: This is on page 15 of the report, and it says in the left hand column, "Amount at the government's risk under section 21", and then it says, "Amount at the corporation's risk". Does that mean section 21 as well?

Mr. Hees: No, that is section 14. With regard to the question about the amount of fishery products insured in the past few years, I will get that information for the hon. member. I have not got it at hand, but I will get it for the hon. member as soon as possible.

Mr. Carter: Mr. Chairman, I have two relatively simple questions to put to the minister. Does the minister have any statistics with reference to the number of applications, or the amounts, which would indicate the use being made of this corporation either in the different provinces or in different parts of the country such as the Atlantic provinces?

My second question is: can the minister indicate what use has been made of this fund by fish exporters and exporters of fish products in the Atlantic provinces?

Mr. Hees: Mr. Chairman, the hon. member for Burin-Burgeo asked me as we walked out of the chamber at the luncheon break if I would get him this information. I understood he wanted it for his own province of Newfoundland. I have obtained that for him. The answer is that in 17 years the Export Credits Insurance Corporation had 12 inquiries from Newfoundland and only two applications have been received, both of which resulted in policies being issued; but both policies have expired and there are none in force at the present time.

As I have outlined to other hon. members during this debate, we are only too anxious to insure products of all kinds from all parts of Canada, and I can assure the hon. member for Burin-Burgeo that the small number of

policies that have been in force from the province of Newfoundland does not reflect any lack of interest on the part of the corporation in insuring products that are shipped from Newfoundland. We would like to do a great deal more business with shippers and businessmen generally in the hon. member's province.

Mr. Carter: Mr. Chairman, I wish to thank the minister for his answer, but my inquiry went beyond my own province. I was interested in getting a breakdown among provinces, but I did not wish to give the minister too much work. I am also interested in the Atlantic area, the Atlantic provinces as a whole.

I wonder whether the minister could obtain at some other time the information as to what use is being made by fish exporters or the exporters of fishery products in the whole maritimes area, because Newfoundland is perhaps not the only province that is not getting the best out of this corporation.

Mr. Hees: Mr. Chairman, I will be very glad to obtain that information for the hon. member.

Mr. Hales: Mr. Chairman, in rising to say a few words on this resolution I would first like to convey my congratulations to you in your new position as deputy chairman of committees. I am sure that under your guidance and direction committees will progress with fairness, justice and great expedition.

The resolution which is before us, which deals with two amendments to the Export Credits Insurance Act, is the first piece of legislation that has come before this twenty fifth parliament. I admit that I am very much in accord with what was said by the hon. member for Red Deer, namely that this is one more case when we should put party affiliations aside and get on with the nation's business. This piece of legislation is important to Canada and to the export industries. I am pleased to see this legislation is being piloted through the house by the Minister of Trade and Commerce. I think it is a just and well earned recognition of his great work on behalf of the export of Canadian products that he should have the honour of piloting the first bill through this new parliament. It must give him a great deal of satisfaction. I know he is regarded throughout this country as Canada's No. 1 salesman. It is through his aggressiveness and his visionary efforts that Canada has achieved her present position in the export field. It was through his efforts last year that we were able to reduce our deficit on international payments to $982 million—the first time for six years it has been below the $1 billion mark. Under the minister's direction, too, we achieved for the first time a surplus of $173 million of exports over commodity imports.

The amendments now proposed to the act deal, first of all, with section 21, which has to do with insurance and, second, with that part of the act which is concerned with export financing. The corporation issues insurance which protects Canadian exporters against non-payment on the part of foreign buyers. It is important to an exporter that he should have protection in this regard. For the interest of the house, the risks that are insured by the corporation are as follows: the insolvency of a foreign buyer, the failure of a buyer to pay to the exporter within 12 months after the due date the gross invoiced value of the goods he has accepted; the blockage of funds, or transfer difficulties which prevent the Canadian exporter receiving payment; war or revolution in the foreign country concerned; and any other cause beyond the control of both the exporter and the buyer arising from events outside Canada, in the continental United States of America, for instance, the cancellation of an export licence, or the imposition of an import restriction on goods not previously subject to licence. This is the type of insurance the corporation provides for exporters. It makes this protection available at no cost to the taxpayer; it is all done on a break-even basis, and it is not available from any private source.

During the past 12 months, the corporation has insured more than $110 million worth of exportable goods covering a very wide range of Canadian products. Incidentally, these products must be of Canadian manufacture to the extent of 80 per cent or more. Such goods have been shipped to more than 90 foreign countries. The corporation has further commitments to Canadian exporters amounting to about $100 million. It is for these reasons, and because of the great increase in Canadian exports—an increase which is averaging about 10 per cent a year—that the committee is being asked to approve an increase in the fund to $400 million.

The amendments to section 21 (a) which the committee is asked to consider involve nothing more than changes of a technical nature. It is a matter of processing the promissory notes in a more efficient way. I am happy to support the two amendments which are before us because I know this legislation is of great assistance to exporters in my own community. I know that the Canadian General Electric Company, which manufactures transformers and sells them to underdeveloped countries, makes considerable use of this service. The countries which import these goods are often

not able to pay spot cash for them. Sometimes payment is delayed as long as 10, 15 or 20 years, and it is only by means of the long term finance available through the corporation that the company can make such sales. I can think of another concern in my constituency, the Guelph Engineering Company, which is making valves and exporting them to Belgium. They, too, are making use of this act and its accommodation. I also think of those who raise purebred livestock in my community. They are exporting livestock to many countries throughout the world and they, too, are making use of the accommodation provided through this corporation.

As I say, I am very much in agreement with these amendments. I shall support them, and I hope every member in this committee will do likewise. Not only do I think hon. members should support this resolution but I suggest they go back to their constituencies and inform those who are engaged in export industries of the wonderful facilities available to them. In closing, may I say I support this resolution so that Canada can continue to make progress in the field of export business, which has been so evident under our direction in the last few years.

(Translation):

Mr. Drury: Mr. Chairman, first of all, I should like to join all those who offered congratulations to you on your election as deputy chairman of committees. I also wish to congratulate you on the first remarks you so eloquently made this afternoon. We were certainly happy to hear you say that in your new position, you will follow the rules of fairness and that each one of us will have the opportunity of expressing his views without interference.

(Text):

I should also like to associate myself with those who have expressed the view that we are this afternoon considering changes in the procedure of a corporation which appears to have been very well managed indeed over the years since its inception. Its record both of helpfulness and the exercise of good judgment is apparent from the balance sheet and from the operating statement in the corporation's annual report. I hope that after the proposed increase of the area of its activities the corporation's judgment will continue to be as good as it has been in the past and that it will continue to be as helpful to Canadian exporters and producers.

I listened with interest to the statement made by the minister in introducing his resolution, and felt it was helpful. I did, however, regret his tendency—a tendency of which the hon. member for Ottawa West was somewhat critical—to engage in declamatory statements of a propaganda type in connection with our foreign trade. Our foreign trade is in a difficult position and we on this side of the house do not feel it will be helped by the making of idle boasts nor by any feelings of complacency.

If I heard the minister correctly, at the outset of his remarks he made the statement that this was a non-profit organization.

Indeed, its object was neither to make a profit for itself nor a profit for the government. This corporation, however, for the past couple of years has, quite rightly under our laws, paid an income tax which is a tax on corporate profits in the amount of about $750,000 a year. Any corporation which pays this amount of income tax is obviously a profit-making organization, and perhaps it is right that it should be making a profit. I do resent, however, any attempt to mislead the people of Canada with the statement that it is non-profit-making.

I was also a little distressed to hear the hon. member for Oxford, in his somewhat tiresome outline of his vacationing in Europe, apparently laying a foundation for the claim that it was these exercises which had made necessary this increase in insurability or the right to incur additional insurance. One would have been led to believe that these trips had been highly successful and conducted with great success, and that what was needed, following upon these ventures, was to increase the amount of money available and prosperity would be upon us. The same complacency was reflected in the speaker who preceded me, who pointed out that under our distinguished Minister of Trade and Commerce a favourable balance of trade on commodity account has been incurred in 1961 for the first time in a great many years. Unfortunately, this glowing record has been somewhat marred, even though there has been introduced an austerity program accompanied by devaluation of the dollar. I would draw your attention, Mr. Chairman, to the fact that there has been an increase in our exports in the first half of 1962 over the previous year; but at the same time there has been a very substantial increase in our imports over the first half of the previous year. In the first six months of 1962 the favourable balance of trade on commodity account has disappeared, and indeed in the first six months we are faced with a deficit of some $49 million. This is one of the hard facts of life, one of the regrettable circumstances to which we have to face up, and it is a challenge we have to meet. I would suggest that we are not going to be able to meet this challenge by proclaiming to the public that the things which have been done

by the government, and indeed by the business community, have been eminently successful, and that all that is needed is a little more of the same. As a matter of fact, the steps taken have not been successful. We have manifestly not met the challenge, and I suggest that something more imaginative than what we have been getting for the past five years is essential.

I should like to say a word, if I may, directly about the act. As I understood the minister, the resolution contemplated two distinct actions. One was a proposal to raise the amount available for insurance purposes from $200 million to $400 million. I personally would be glad to agree to this, but on the basis that we hope we will be able to find the means to increase our export opportunities by this amount, and not because what the government has already done is going to make this necessary. We have not done enough as a country and more is required to be done.

As to the second item, it is a proposal in respect of the long term capital financing to permit the corporation to accept bills and negotiable instruments, including promissory notes, for purchases of our export goods direct from the buyer himself. As I understand the act, this started out as purely an insurance operation; in other words, it was up to the seller, Canadian, and the buyer, foreign to make their own buy and sell operation, to arrange for satisfactory terms of credit and financing, and the Export Credits Insurance Corporation then stepped in merely to guarantee the payment by the buyer. And in its initial stages this was limited to commodity short term credit.

Over the years, as a consequence of amendments made necessary, I suggest, by the changing nature of world economy and trading arrangements entered into by European countries and the United States, it became necessary to give assistance in providing guarantees for longer term operation, but this was still essentially in the nature of an insurance function. But now, if I understand the minister correctly, this corporation is going to assume, to some extent anyhow, a banking function which is quite different from an insurance function. It will be a banking function in that the credit which will be sought by the buyer will be provided by the Export Credits Insurance Corporation, and the debt, the obligation, will be manifested by a note given by the buyer and taken directly by the Export Credits Insurance Corporation. I think this will be a debt which will be the direct responsibility of the government, rather than an obligation secured by the assets of the corporation.

This means, then, that the Export Credits Insurance Corporation will be slipping rather by the back door into one of the major functions of the United States export-import bank. I think a number of Canadian businessmen have for years been urging that this is a function which the government of Canada should fulfil, but I would urge the minister, if my interpretation of the second half of this resolution is correct, to proclaim that we have gone beyond the mere function of insuring credit and are now engaging in a straight government banking operation. My own personal view is that that is a function which, in order to meet international competition, the people of Canada should have this government perform for them. If we are going to do it, let us be honest about it and not do it under the guise of running exclusively an insurance scheme, as a member of the Berne convention on credit insurance, in a quiet and unobtrusive way, got into a banking operation. I would be glad if the minister would advise me whether I have in fact misinterpreted the object, and indeed the function, of the second part of the resolution.

Mr. Hees: If I may do so, once again I should like to address myself to some of the questions that have been asked. The hon. member for Burin-Burgeo asked me whether I could let him know the amount of insurance that had been asked for by firms in the Atlantic provinces. The answer is that the corporation insures six fish exporters in Canada having an annual volume of $3,440,000. Of those policyholders, four are in the Atlantic provinces and do an annual volume in excess of $3 million. The hon. member for St. Antoine-Westmount began his remarks by taking me to task for being, as he said, both boastful and complacent. I should be interested in knowing in what way I was either boastful or complacent. It was certainly not my intention to be either.

Mr. Pickersgill: Look in the mirror.

Mr. Hees: I thank the hon. member. That is what I would expect from him. In my opening remarks it was my intention simply to outline what the corporation had done and why it is necessary to do what it proposed. If that was taken as being boastful and complacent, then I am surprised, and I am not convinced that anything I said was either complacent or boastful.

With regard to the question asked by the hon. member concerning the operations of the corporation at cost, may I say that the excess of premium income over expense and valid claims since the corporation started operating 17 years ago is only $1.9 million,

after insuring export sales of $1,050 million. Thus the excess is less than one fifth of one per cent which is available to meet losses which might arise under insurance at present in force. I do not think you can operate a business of this magnitude any closer to the line than that.

Then the hon. member spoke about the regrettable position of our exports and imports, that although our exports had been steadily rising year by year, he was very upset over the fact that our imports are in excess of our exports this year and in some way he appeared to blame the government for that fact.

As we all know, imports are made up of the total purchases of 18 million Canadians. If the hon. member or hon. members can suggest any way in which we can cut down our imports without imposing unfair restrictions on our fellow Canadians, I should be interested to hear it. I like to see exports exceed imports.

Mr. Matheson: Why?

Mr. Hees: Because that situation gives us a favourable trade balance. It puts us in a more favourable international payments position, and that is something that is most desirable in the running of any country.

The hon. member spoke rather disparagingly about the fact that our imports exceed exports this year. May I say that they exceed them by a figure that is about one fifth of the amount that imports exceeded exports in the last year in which the late Liberal government was in power in 1956. I would therefore suggest to hon. members on the other side of the house that, when they criticize the government for having imports in excess of exports, they might look back at the performance in this regard under their own government.

With regard to the government assuming a banking function may I say this. You might call the function that we perform under section 21(a) a banking function. When I took over this portfolio I found in my meetings that I held immediately with the Canadian Chamber of Commerce of which I believe the hon. member for St. Antoine-Westmount is a prominent member, the Canadian Manufacturers' Association and other important bodies there was a universal demand that the government provide long term financing to match what is being done at the present time by other countries. As a result of these suggestions made by these important business bodies in this country this government undertook to extend the operations of section 21(a) to include long term financing for capital goods. I think any businessman in Canada, especially those who manufacture capital goods, will tell you that this has been of great benefit to them. Many millions of dollars of Canadian business has been done simply because it was possible for Canada to extend the same long term financing facilities to those capital goods manufacturers as are made available to similar manufacturers in the United States, Great Britain, and other countries. It was for this reason that Canada undertook this new function under section 21(a). If that is a banking function, and I suppose it is, I am glad that we undertook it.

The proposed change in the operation of section 21(a) is as a result of requests that we have received from countries to which we have extended credit under that section. These countries would like to deal directly with the Export Credits Insurance Corporation; and it is in order to accommodate them that this slight change is being made. It is not a fundamental change. It is a change of detail whereby the Export Credits Insurance Corporation is allowed to deal directly with the importer instead of dealing with the importer through the exporter. It is simply a means of cutting out one step in the procedure, or cutting out red tape; and I think we would all agree that is desirable. When the measure comes before the house I hope that hon. members will agree that is desirable.

I hope I have answered all the hon. members' questions. Once again may I say that I appreciate the courtesy shown by hon. members in allowing me from time to time to rise and answer questions as they are asked.

Mr. Foy: I wonder whether I might ask the minister a question with regard to rates. It is just a simple question which I am sure the minister can answer. In the annual report at page 5, it is stated that there are approximately $66 million worth of commodities insured at a premium of approximately $1,100,000. This figures out to about 1.6 per cent, the amount of the premium to the amount of the commodities. I was wondering how the rates are calculated for insurance premiums. I was wondering whether or not the rate is calculated having regard to risk with different countries, or whether it is calculated on the basis of different rates with different countries. I should like an explanation, if the minister does not mind.

Mr. Hees: I am glad to answer that question. On the insurance under section 14 the rates charged vary according to a number of factors, including the country to which the shipment is to be made, the type of goods and in general the risk calculated by the corporation. The premiums average, on the whole, three quarters of one per cent. As I

say, they vary from country to country according to the risk involved in doing business in a particular country and the chances of receiving payment from importers in a country and the type of goods involved. Each type of transaction is calculated individually and the best possible rate is made available to the individual exporter.

If the hon. member desires some specific information about certain types of products, if he will speak to me afterwards I will make sure he is given the specific information he would like.

Mr. Foy: I appreciate the minister's offer, but if he does not mind I would rather drop him a line and have him send it to me.

Mr. Addison: I should like to ask the Minister of Trade and Commerce a question relating to the Export Credits Insurance Corporation annual report. The report states that in 1961 exports to a value of $65,607,223 were insured under this section and the premiums on the 55 policies issued amounted to $1,093,854. This works out, according to my calculation, at $1.66 per hundred. It is certainly not the three quarters of one per cent the minister mentioned.

Mr. Hees: What page is that?

Mr. Addison: Page No. 5.

Mr. Hees: Is that under section 21?

Mr. Addison: Section 21, yes.

Mr. Hees: When I said three quarters of one per cent on the average, I meant the average day to day regular business done under section 14. Section 21 would, in all probability, have a higher average premium because it relates to special operations which are over and above what the Export Credits Insurance Corporation believes it is justified in entering into. They are passed to me, as minister, and I take them to the cabinet. If it is decided to go ahead and insure an operation of that kind, it is for a very special reason. They are usually large scale operations with more risk than the average day to day business; but it is considered for one reason or another in the national interest that the corporation should insure these risks. They are in excess of the normal risk and that would be the reason for the higher premium.

Mr. Addison: May I just ask a supplementary question? I notice that in *Hansard* for February 18, 1954, the Right Hon. Mr. Howe speaking on this same subject stated that the average premium rate was 82 cents per hundred on all exports covered to date. This is less than 1 per cent of the selling price, and this is under section 21. I wonder, in view of the minister's comments about the risk involved if it means that the risk has deteriorated by approximately 50 per cent?

Mr. Hees: No, Mr. Chairman, he would be referring to general business under section 14, and other business, whatever that other business would be, would be done under section 21. It all depends on how much business is done under section 21. As I say, if only business under section 14 is considered, I am advised that the average rate is three quarters of one per cent, that is .75 instead of the .82 with which Mr. Howe dealt at that time. The reason for the higher rate about which the hon. member is talking is the business done under section 21, and is the rate of interest that is charged in accordance with the risk considered to exist by the Export Credits Insurance Corporation.

(Translation):

Mr. Ouellet: Mr. Chairman, I am following the discussions with much attention. I understand that what we are requested to do today is to increase the capital from $200 million to $400 million.

I do not believe that the principle of the act should be discussed. It seems to me that we are losing rather valuable time in this way. The Minister of Trade and Commerce let me have some figures—I think he said so earlier today—indicating that since the insurance corporation was established it had on one occasion to underwrite a billion dollars, whereas the losses were only $2,097,688.

It seems that the house agrees to pass the bill and to accept the increase requested by the minister.

Here, we discuss things and I really do not know why. I begin to think that, when democracy is abused, it disappears.

Mr. Sevigny: Mr. Chairman, I would be remiss if I wasted the time of the committee. As the hon. member for Lapointe (Mr. Gregoire) said with some common sense, the house is in principle favourable to the legislation before us.

I do not want to deal with other subject matters, because, as the hon. member for Hull (Mr. Caron) pointed out a moment ago, the principle of relevancy must be observed in this house. I must, nevertheless, state that I disagree with the views of some hon. members, for instance the hon. member for Drummond-Arthabaska (Mr. Ouellet) and the hon. member for St. Antoine-Westmount (Mr. Drury). It is important to discuss this legislation, and to discuss it very seriously, more particularly to see that the public be informed of any action taken in this house to improve Canada's export trade.

This export trade is vital for us because, after all, facts are there to prove that, with a population of 18 million in this country, and a production large enough to supply a people perhaps four times as numerous with primary, secondary and other products, we definitely have to seek the needed markets outside this country if we, in Canada, want to have maximum production, and the full employment that goes with it.

On the morrow of the war, competing nations launched a policy of export credits which enabled them to obtain markets that would normally have been ours. As the years went by, we therefore had to follow in their steps. And, thanks to certain efforts, we sometimes overtook them.

Today, in the world as we know it, it is impossible to do any business with foreign countries without offering to the possible buyer the terms of sale and payment which will meet competition. And it is the reason why we have to show some imagination and devise legislation to improve the situation like the one now before the house.

Thanks to this measure our manufacturers will be able to finance their sales on foreign markets. Our manufacturers and merchants will then be able to make sales which they could not even consider without this amendment now before the house.

If I take the floor today, it is for two reasons. First, because I think the people are not sufficiently aware of the benefits provided by this measure concerning export credits insurance.

I think it would be wise to ask hon. members, each time the occasion arises, as well as newspaper men, to point out to our population, by all means at their disposal, that there are very useful export credit facilities for those who wish to increase their business.

A moment ago, the hon. member for St. Antoine-Westmount, whom I am happy—with certain reservations—to see here in this house, blamed the Minister of Trade and Commerce for being, to use his own words, declamatory about what has been done in the field of trade and industry, about what he is now doing, and about what he intends to achieve.

I believe it is somewhat daring to blame the minister for being proud of what he has accomplished for, after all, thanks to his efforts to promote our export trade and to the measures he has introduced in this house since he has assumed the direction of the Department of Trade and Commerce, the volume of our exports has increased sharply. In fact, according to figures which are already six months old, our exports to the common market countries have increased by more than 16 per cent, while the increase is more than 90 per cent to eastern Europe, 36 per cent to Latin America and more than 35 per cent to the Asiatic countries.

These figures surely indicate that under the direction of the minister, the Department of Trade and Commerce has obtained results which are very beneficial to the whole population and to the Canadian economy in general.

The important thing that we have to deal with is surely the promotion of the development of the Canadian economy in all fields, and I believe that it would be hard indeed to find, in this house or elsewhere, people who will deny that increased sales will result in an increased industrial productivity, which will mean more employment for our citizens, more benefits for the industry, the employer and the employee, and, consequently, more benefits for the state, benefits which will be distributed for the greatest welfare of the Canadian community.

Mr. Chairman, may I repeat that, according to my way of thinking, the main objective of all our economical activities at present is to look for the appropriate cure to remedy the depressed situation of the economy, where it is to be found, so as to overcome this dreadful plague of unemployment, which is unfortunately striking certain parts of our country.

The main task of the members of this house is to see to it that, with the rising of the level of business, we can also adequately raise the level of our economy so as to secure full employment and the prosperity hoped for.

Mr. Chairman, I believe that the resolution now before us, even if it receives general support, must be presented by all our advertising media as one of the essential measures for the future of our economy. It is because this question is so important that I have taken part in this debate.

Several approaches can be used to improve the state of our economy. Some advocate methods which might bring about inflationary pressures. Others see the solution of all our problems in the full nationalization of industry. And, it must be pointed out, certain citizens see—and wrongly so—in socialism or in semi-socialism the cure for all evils.

I, for one, believe that in a country as young as ours, with such a bright future ahead, socialism is but an approach of premature senility. In my opinion, before venturing to apply economic theories not yet proven nor established, we must take good care not to

bring about in this country an inflation which might have here the same disastrous results as those we have noted where socialism has become a form of government.

What is certain, Mr. Speaker, is the fact that, thanks to this amendment, everyone will benefit from an increased business flow, and thanks to this measure now before the house, I am convinced that all manufacturers and merchants will now have the opportunity of increasing their business. And this is in keeping with our desire to work for the welfare of the Canadian community.

(Text):

Mr. Macdonald (Rosedale): My original intention on rising to speak was to deal with questions of a legal and technical nature which had come to my attention in dealing with the statute in professional practice; but at the start I would like to make some observations with regard to statements made by hon. members opposite, particularly those made by the last speaker and by the hon. member for Oxford.

During the course of his travelogue the hon. member for Oxford appeared to stray far away from the point, something which was commented upon by my colleague the hon. member for Hull. I myself was somewhat baffled in trying to find what relevance his remarks had to the actual statute.

The function of the Export Credits Insurance Corporation can be likened to that of a credit department in a corporation, but the remarks of hon. members opposite appear to be related to other aspects of a corporation's business, such as sales and productive effort. I have no difficulty in associating myself with the remarks of the hon. member for Vancouver South in congratulating the management of the corporation on performing a very effective job of work. However it appears that hon. members opposite have taken the success of this particular function as a jumping off point to make some parenthetical remarks about their trade policies. I can tell them that any parenthetical remarks they may make at this time will not satisfy hon. members on this side of the house. A full and clear study must be made of Canada's trade policy, and in particular of efforts which so far have so sadly been lacking on the part of the government to achieve favourable trade agreement position for Canada in relation to some of the emerging realities in international trade.

The minister, in part, anticipated some of the remarks I was going to make, in pointing out that there will be some amendments to the strict technical terms of the statute, and in particular in accepting the amendment suggested this morning by my hon. friend from Ottawa West and the hon. member for Kingston. Members on this side of the chamber will look forward to receiving the bill at an early date in order to have the opportunity of studying it and also the opportunity of making a full presentation of our views, particularly some views which have arisen among the legal profession with regard to the actual terminology of the statute. Therefore I welcome the assurance that the bill will soon be presented to us and that this opportunity will be made available to us.

Mr. McBain: I believe this resolution to be a very forward step on the part of the government in making available an additional $200 million to the Export Credits Insurance Corporation. We know this is a revolving fund, and as our exports continue to increase undoubtedly larger and longer term financing will be required, making it necessary to have a much larger amount in the fund.

I personally know how valuable this corporation has been to industry, especially to industry in my own constituency. Many of our local industries are subsidiaries of parent United States firms. Due to the government's foresight in pegging the dollar at 92½ cents they are now able to be competitive with their parent United States companies, and in many instances are able to secure favourable export contracts with the assistance of financing from the Export Credits Insurance Corporation.

It is interesting to know that this type of insurance is available from this corporation to any exporter, regardless of the amount of the order, and it has been known that orders of a very few dollars have been insured. It is also interesting to learn that one of the clauses of section 21(a) makes it necessary that the Canadian content is of a high order, in the range of 80 per cent or better. In order to qualify under this part of the act many companies have had to increase the percentage of their Canadian content, and by so doing many more jobs have been provided for Canadians.

Speaking in the throne speech debate on October 11 the hon. member for Simcoe North pointed out to the house how the policies of this government in providing guarantees for the marketing and purchasing of Ontario's 1961 tobacco crop made it possible for tobacco that would have remained unsold to be purchased by the tobacco growers marketing board. At the present time the Ontario flue cured tobacco growers marketing board have on hand about 7 million pounds of tobacco

purchased under these government backed guarantees. The 7 million pounds, I would hope, can be sold before the marketing of the 1962 crop some time next month. It is estimated that this year's crop will be somewhere around 170 million pounds and the crop is reported to be of excellent quality.

I was also very pleased to learn this afternoon that the parliamentary secretary to the Minister of Trade and Commerce had been abroad on a trade mission outside Canada to Great Britain and Europe in connection with the promotion of exports on behalf of the lumber industry. I was also very pleased to learn that while abroad the parliamentary secretary on many occasions was able to contact prospective purchasers of our Canadian tobacco—

(Translation):

Mr. Gregoire: Mr. Chairman, I rise on a point of order. Is it because the government has no other bill to introduce, that attempts are being made to foist the principle of this bill upon us?

(Text):

Mr. McBain: Mr. Chairman, I did not hear the interjection of the hon. member, but I am leading up to what I hope will eventually come under this act. I am sure, also, that the contacts made by the representatives of the Ontario flue cured tobacco growers marketing board while they were abroad will be very helpful in promoting future sales of tobacco. It is quite feasible and possible that tobacco sales to prospective purchasers in European countries will need financing, and I hope the committee will give favourable consideration to the early passing of this legislation in order to make available the additional amount of money required by the corporation.

I was very interested to hear the minister this morning suggest that all hon. members of parliament take advantage of the functions of this corporation. I have found the president, Mr. Aitken, to be very co-operative in providing information to myself along these lines. By making this information available to all hon. members I think we will be put in a more favourable position to pass along to our own local industries some of the benefits and advantages provided by this crown corporation.

Mr. Matheson: Mr. Chairman, I wish to say a word or two with respect to the bill before the committee. I think we must be grateful to the hon. member for St-Antoine-Westmount, for indicating what really is a fact, that the function of this legislation has changed over a period of time, and latterly from primarily an insurance function to a banking function. I think I am correct—and if I am not, I would ask the minister to correct me—in saying that as late as the last amendment, what really happened was that a Canadian seller and a foreign buyer got together, made a deal, and through the facilities of the banking system somewhere obtained credit. The note which became the evidence of this transaction was then delivered, through the banking system, to the Export Credits Insurance Corporation, and in that fashion the sale was guaranteed. Through this new approach by the government we have actually direct access by a seller to the Export Credits Insurance Corporation. We can avoid, therefore, the transaction through the banking system.

I am sure that we on this side of the chamber are heartily in favour of anything that is going to step up our export industry; I think we are all agreed on that. We are indebted to the minister in a number of ways. I think every hon. member on this side of the chamber recognizes that he has been a most aggressive salesman. Another thing we appreciate from the minister is the fact that when matters are raised in this house and in public, quite frequently he is factual and honest with us to an extent that breeds confidence in these matters, which frankness we do not always enjoy from every member on the treasury benches. Even going back to the Ghana episode, there were many instances when we felt the minister was prepared to bare facts to us. In this fashion perhaps we in this committee of minorities can be more co-operative with respect to measures such as the one before us which are designed to develop and improve the economic situation of Canada.

I believe I am correct in saying that under the GATT negotiations of 1947 as amended, if commodities are subsidized in export by any of the GATT signatories there is provision for the country importing those goods to impose dumping duties. I think we have to be honest enough with ourselves to recognize what is the kind of transaction we are now performing. We had a little word of advice and counsel from the Associate Minister of National Defence a moment ago, telling us of the advantages of private enterprise and how this was something that would stimulate investment. Actually what we are doing, it would appear, is publicly subsidizing finance in this particular instance. Let us face that. Collectively the Canadian people are doing something here in the credit line, as well as the insurance line, that apparently has not been done in the past.

We are concerned when we hear suggestions that these $200 million, this 100 per cent increase, is now necessary because we are simply expanding so well. The hon. member

for St. Antoine-Westmount a few minutes ago alluded to the trade deficit in the first six months of the year, the current problem. I do not think we on this side are particularly worried about an immediate problem if the long term solutions seem to indicate progress. But a number of thoughtful people are rather concerned about this six months period because it appears to be indicative of other problems. "The Industry", published by the Canadian Manufacturers' Association, refers to the past six months as being actually our Achilles heel. Indeed, in some respects one might question whether or not the austerity program is really designed to meet the immediate and short term problem demonstrated by this Achilles heel of the past six months.

We on this side want to face these trade problems honestly and bravely but one of our difficulties is that we do not have ready access to a lot of relevant facts—facts, for example, relating to the exchange rate, the balance of trade, and so on—which are important if we are to be constructive and co-operative. We are disturbed by evidence which is reaching us from other sources such as the *National Institute Economic Review*. This periodical, which is one of the principal authorities on this subject in Britain, indicates that Canada has dropped from first to eighth among the nations of the world in per capita foreign trade and from fourth place to fifth place in absolute volume of trade with other countries. According to the same publication, in all but two years, 1953 and 1954, in the long administration of the Liberals Canada stood first among the nations of the world in per capita foreign trade. By 1960, Canada had declined to eighth place behind even Trinidad and New Zealand. In absolute volume of trade with other countries, Canada had been fourth for many years. In 1960, Canada had slipped back to fifth place.

Along with these facts we read that Canada's living standard has dropped from second to third place. I do not wish to depart unduly from the subject under discussion, but I interrupted the minister a moment ago—and I apologize for having done so—to ask him why he considered it important to have what is called a favourable balance in trade. It seems to me that most economists agree it is a desirable thing to have a balance—a long term balance is what we are interested in, not a short term balance; we are prepared to accept that within short cyclical periods there may be adverse balances which, in the long run, produce development and growth. We are concerned, however, with these other factors which are completely relevant to the problem we are dealing with at the present time. We do not believe that you can ignore the important operations which are taking place in other parts of the world in the common market area, in Latin America and in the United States. However brilliant the minister may be as a salesman or as a promoter he can never be successful if the over-all policy of our country is such as to ignore these larger developments. It has been suggested that we are simply dragging along as a tail to United States policy—that we show no evidence of what this country is prepared to do should Britain, for example, join the common market—as we think is desirable—or, in the contrary situation, should Britain decide to remain outside.

It seems to us that these are the more profound issues which lie behind this question of Canadian trade. While we are anxious to expedite the passage of any legislation designed to improve matters, we believe we should face the fact that for some years the Canadian trade picture has not been healthy. We recognize that profound changes have taken place in the world since the sellers market which followed the war. The former Liberal administration, we realize, cannot take all the credit for the situation which existed during that period and, similarly, the present government finds itself faced with far reaching changes which are bound to affect the world trade pattern. On the other hand, we question whether these profoundly important events have found a suitable response in the policies of the present government. I am sure that for our part we shall be agreeable and co-operative with regard to this measure, but there is one reservation I should like to make. We do not want this corporation to be used for nationalistic tactics, like the tariff surcharges which was another nationalistic tactic. To do so would ultimately weaken our position in an expanding trade community. This is one of the reasons we are concerned about the exchange problem. This, again, could be considered as a nationalistic tactic which is out of step with the times and with the great opportunities presented to us, particularly by the situation now developing in Great Britain with respect to the common market.

Mr. Hees: I thank the hon. member for Leeds for his thoughtful remarks. I should like to answer two questions which he raised. First, he was worried that consequent upon our amendments to this act we would in some way be bypassing the banking system. I should like to assure him that in the long-term financing arrangements we would not be avoiding or bypassing the banking system. The corporation will pay the exporter by cheque through the banking system, and will ultimately receive payment from the foreign buyer through the banking system.

There is no intention to bypass the banking system in any way, and the proposed amendment dealing with section 21(a) is simply a minor amendment designed to facilitate our doing business with a number of countries which have requested that we do business with them more directly.

We also have no intention of using the Export Credits Insurance Corporation as a nationalistic tactic, to use the phrase which I believe the hon. member used. The whole function of this corporation is to provide a service which has been found during the past 12 years to be in the interests of Canadian exporters whether they be industrialists, miners, fishermen, producers of primary products or manufacturers. They need this insurance and they need this export financing. In all the other major industrial countries of the world such facilities have been provided in roughly the same way. In the United States, for instance, there is the export-import bank and in Britain there is a similar type of corporation. The Canadian government operated to provide the facilities for our producers both in insurance and in long term financing. Again, I wish to thank the hon. member for the very thoughtful presentation of his views and I am glad to be able to assure him on those two matters about which he was concerned.

Mr. Nicholson: I have a question which I should like to put to the minister, but before doing so I may say that I doubt whether there is any member of this house who would not give full support to a measure which would increase the ceiling or limit on the amount of guarantees to Canadian exporters in order to enable them to increase their exports to the countries with which they trade. In this connection I am sure the minister will recall that one of the first communications he received after he was appointed Minister of Trade and Commerce came from myself. In it I outlined the tremendous advantages both to the exporting country and to the importing country of such institutions as the export-import bank in the United States, and the corresponding German agency. I expressed hope at that time that there would be a similar development here. Now, admittedly two years later, a move is being made in the right direction.

My question arises out of the second part of the resolution. The minister said, I believe, that it was intended to provide for certain changes in connection with the administration of the act. If I followed the minister's remarks this morning correctly, these changes have to do with machinery which would make it possible for the government to accept bills of exchange and other negotiable paper, including promissory notes, from the buyer rather than from the exporter. The question which concerns me is this: would the government be discounting the bills of exchange? If not, what is the point of getting a bill of exchange?

Mr. Hees: The purpose of this amendment is to do simply this. At the present time, when a deal is being consummated between an exporter and an importer, the importer agrees to pay the exporter by a series of notes, which the exporter endorses over to the Export Credits Insurance Corporation. The corporation then holds the notes, receives payment from the importer, and by arrangement, pays the exporter on certain dates for the goods, the machinery, or whatever it may be, that he is exporting. This amendment is designed to allow the importer to deal directly with the Export Credits Insurance Corporation, and saves the necessity of the exporter bringing the notes to the Export Credits Insurance Corporation and endorsing them over to the corporation.

That is just one step which is eliminated. It will also allow the Export Credits Insurance Corporation to sell the note, the instrument, which it has received from the importer, and to sell that instrument or any part of it to any buyer who finds that kind of instrument attractive. The purpose of that is that then there is not so much drain on the $300 million which is available to the corporation for doing this kind of long term financing. This amendment will also allow the Export Credits Insurance Corporation to make a loan to the buyer of the instrument, if the buyer of the instrument wishes to obtain a temporary loan on that security from the Export Credits Insurance Corporation. This will enable the Export Credits Insurance Corporation, in its opinion, to do its business more easily. That is the purpose of the amendment.

Mr. Nicholson: That, Mr. Chairman, is the thing that is bothering me. That would indicate that the Export Credits Insurance Corporation is going into the banking business, if it is going to sell bills of exchange to third parties. That is an extraordinary development in credit insurance. Is that not more properly the function of an export-import bank?

Mr. Hees: Well, Mr. Chairman, the operation which the Export Credits Insurance Corporation carries out under section 21(a) was literally forced upon it by the unwillingness of Canadian banks to perform this function for our exporters. For many years, I understand, there have been conversations with the banking community on behalf of our exporters suggesting to the banking community that they undertake this role of providing long term financing for our exporters. But the

banks in Canada were unwilling to perform this function, and so, if the function was to be performed, it became necessary for the government to perform it through the Export Credits Insurance Corporation. There was no desire on the part of the government or the corporation to get into this business. It was literally forced into it to provide a necessary service to our exporters. The chartered banks formed an export corporation—I am sure the hon. member is familiar with that operation—which provided financing for medium term business; that is up to five years but not more. So the Export Credits Insurance Corporation has been forced into a banking operation, which it had no real desire to get into, because of the need to provide this financing service for our exporters. But being in that kind of financing operation, through no choice of its own, it now desires to do the job as efficiently and as well as it can. That is the reason for these changes.

Mr. Nugent: Mr. Chairman, I should like to say a few words in this debate, but would the committee bear with me if first I expressed my personal appreciation and the appreciation of the people of Edmonton for the honour done our city by hon. members of this house in choosing my colleague, the hon. member for Edmonton West, as its Speaker. I am sure that Mr. Speaker has already added to the honour done our city by the way he has handled his job. I know I speak for the hon. member for Edmonton East as well as myself, and in fact for all residents of the Edmonton area, when I wish him well, and we hope that his tenure of office will be long, successful and happy.

In this debate, Mr. Chairman, I have been following just about all the speakers with considerable attention. I realize that the subject can wander quite widely, dealing as it does with financing trade around the world. I am sure that an hon. member can quite readily discuss every aspect of government policy in connection with exports on the ground that only by looking at all other efforts closely can we determine whether the government really needs this amount of money for which it is now asking in order to assist this method of helping finance our exports and increasing those exports.

The hon. member for Ottawa West made some remarks about the changing position of trade patterns and the changing problems since the war which I thought deserved to be dealt with a little more fully, and which I thought, considering the method by which he handled them, should be answered somewhat sharply. I noticed that the hon. member's speech on this matter merely said that he did not like the way we handled these problems, but was entirely devoid of any constructive suggestion as to how we could have handled our trading problems better. In fact he was devoid of any specific criticism as to in what area we have made an error. I am sure that if the hon. member looks at his speech tomorrow in *Hansard*, he is going to find that it amounts to no more nor less than sour grapes.

I think that what is required if we are to add anything to this debate, and if we are to justify to the country the granting of this money to the government, is that we should take at least some look at what the changing trade patterns have been, and at what have been the changes in trade problems. I was happy to hear the parliamentary secretary to the minister give us a run-down on some of the things this government has been doing to meet these problems. I am sure most members of the committee are aware that since the war we have seen revived and renewed industries in such countries as Germany, Italy and Japan, who have, with the latest machinery and techniques, with new methods of financing, and in fact with some help from former enemy countries, hit traditional markets with an impact never felt before. We have had to face that in good part as Canadian businessmen with some worn out machinery. We have had to see new and severe competition in established markets, and in fact have had to absorb this loss at home. But the fact that Canada's export trade is in the position it is now is certainly some indication of the success of this government's efforts in meeting the new trade problems and patterns. One of the new problems that directly bear on this subject I believe is the new method of trading and securing trade from other countries. It is no secret to members of this house, I am sure, that the government of Japan, for instance promotes—I was going to use the word "permits" but I think "promotes" would be the better way of putting it—trade cartels, that it actually assists in the merger of large well financed and well organized companies in order to form cartels for the purpose of most effectively moving into overseas markets. Other countries have such trading organizations and many countries have schemes somewhat similar to ours in order to assist the exporters in financing their sales whereby either the government insures or finances them and in many cases goes further and finances a new industry in order to move into these new markets.

I therefore say that any suggestion that this government has not faced new problems or the changes in the problems can only come from members who have not taken the trouble or who have not had the capacity to

understand the vast change that has taken place in government handling of these trade patterns in the last few years.

I am sure that every businessman in Canada who is exporting or hopes to export has looked with considerable interest on the trade conferences called. From the attendance at those conferences and the spirit with which businessmen have entered into them, it is obvious that these conferences are most helpful. Trade missions to other countries have been singularly successful. I am personally acquainted with many people who have gone on them and who are now doing business selling products in South America, Central America and other parts of the world, something they have conceded to me would never have come about were it not for the action of this government.

In short, Mr. Chairman, I think what hon. members opposite have failed to observe really is that there is an entirely new concept of government and that this new concept was designed because of the changing pattern and changing problems of today's more complex world. It is no longer enough for any government or any political party to sit back and to say that ours is merely the task of creating an atmosphere in which private enterprise can flourish. With today's trade problems that is not enough. The government itself is obliged to take a more active part, as it has been doing, in making sure that the trade problems around the world are more thoroughly investigated by their trade officers.

The government itself has found it necessary to find new ways in which to pass along information to our own Canadian business. It has had to find out more details about the trade problems and the financing problems of the other countries and to maintain, through such things as the new design council, the productivity council and so on, new methods of getting the required information back to our manufacturers who, under a private enterprise system, really must carry the ball and make these sales.

The suggestion that we are going into banking is one that I have been struggling with for a long time. While we may not like to see the government acting as a banker, the fact is that in today's fierce competition, in our need for expanding markets we are obliged to use whatever methods are necessary to achieve that objective. Today's trading patterns have another complexion in that traditionally Canada has been a supplier of raw materials. However, especially since the advent of automation we have found that being a great supplier of raw materials is not the best way in which to provide the steady, well paid jobs to which the people of this country are entitled. In the last few years we have been trying to become more and more a manufacturing nation. This attempt, of course, has required a great amount of financing. It also requires an intensified search for markets at a time of increasing competition. I do not think we need to say any more than that in justification of the government's acting as a sort of banker, if that step is necessary.

I myself have had occasion to urge on the government something a little further than that, by reference to what happened in just one South American country recently. I was approached by a very large businessman in Canada who told me about a project recently undertaken by an Italian company, whereby the Italian company obtained a turnkey contract for the whole job of drilling a couple of hundred oil wells, I think it was, putting together the pipe line system and building the refinery to handle it, and turning over the key as a completed project to the government. I understand that the government that was getting this work done—and the total cost was approximately $196 million—was going to pay for it over a period of 10 years. We in Canada have facilities to do all that. We have the businessmen with the technical know-how, the mechanical skill and the personnel to be able to handle a project of that size. The gentleman who approached me was quite willing to organize it, to put it together and to go out and sell it. However, I do not know of any businessman we have who can take on a project of that size, namely, one of approximately $196 million, which could be completed in two years when he would have to wait for the payout over a ten year period.

My suggestion then to the government on this matter is that the further sum for which we are now asked may prove to be inadequate and that the act as it now reads may not be flexible enough. Perhaps there should be a little more leeway for the government so that, instead of handling so many small projects, they will also be able to handle a project of approximately $50 million or $100 million without going into a panic.

I am aware that, with changing conditions, some of these markets in some South American countries may be a little bit risky in some respects. As we know, there is much unrest in some of these countries. We know that, even where there is not much unrest, the financial situation of the country itself may not lead to too much confidence. All of these factors certainly must be taken into consideration. Wherever they are factors I suggest that the government, through its trade commissioners and external affairs offices, has the facilities which will enable

them to determine to a much greater extent than can the Canadian industrialist, just how important these factors are. I think these sources of information and government assistance, not only in determining the risk but with all other market factors, have been invaluable. I believe that sometimes the best way in which to make sure that the government is giving the best service along this line to the industrialist is for the government to have a small financial stake in there as well.

I thought I should comment on just one more remark made by the hon. member for Ottawa West who said he did not like the handling of the Cuban trade system. When I asked him to comment on what his stand was, he merely said that we should not annoy our good friends the Americans. I wish that he could have been a little more helpful in answering my question.

Mr. McIlraith: When it is in order, I will.

Mr. Nugent: I am afraid that during the question periods in the house and during the last campaign, every comment on that situation by hon. members opposite has been in the same vein, "Do not annoy the Americans." There is never any suggestion about Canadian interests, never any suggestion about what they would do differently as compared with the policy of this government. I would suggest to hon. members opposite that they should have a little more regard for our own country and a little less regard for the possibility of stepping on the toes of our large friend to the south. After all they are powerful friends, but also very understanding, with a system of government about the same as ours. They appreciate frankness, and I am sure it does not help much to be continually saying, "Do not annoy our American friends".

Mr. Addison: Mr. Chairman, I should like to make a suggestion to the Minister of Trade and Commerce, particularly in view of the signing of the Kennedy trade extension act of yesterday. Since the government has decided to go into the banking business, I suggest we change the name from the Export Credits Insurance Corporation to the export bank and insurance corporation.

Mr. Mather: As most hon. members who have spoken before me have suggested, Mr. Chairman, there seems to be general agreement in all quarters of the house in favour of the principle of this measure that is before us. Personally, I should like to express appreciation to the minister for his lucid presentation of the legislation. As my own colleagues who spoke earlier have suggested, we in this section of the house are particularly gratified with the success of this corporation's efforts, indicating as they do, the virtue of efficient planning and public enterprise business.

The one concern I have on reviewing the success of our trade efforts as expressed here today, has to do with the large volume of that success which is apparently tied to the export of Canadian wheat to China. My colleagues and I are in agreement with this trade; in fact, we have urged for many years that it be started. When we review the facts of the case, I am a little concerned myself at seeing how much of the success of our recent trade efforts has been geared to these sales to China. I feel we should realize that had it not been for three successive typhoons which destroyed part of the wheat crop in China, the Chinese would not have been buying wheat from us. Had they not been buying wheat from us, our trade picture would have been much poorer than it is. It would be facetious to suggest to the minister, but not without point, that he investigate the prospects for typhoons in China in 1963. Again, I should like to compliment the minister on his presentation.

Resolution reported and concurred in.

Mr. Hees thereupon moved for leave to introduce Bill No. C-63, to amend the Export Credits Insurance Act.

Motion agreed to and bill read the first time.

Mr. Speaker: Order; it being five o'clock, it is my duty to interrupt proceedings and proceed with the business of private and public bills.

BRITISH NORTH AMERICA ACT

AMENDMENT RESPECTING ADJUSTMENT OF REPRESENTATION IN THE HOUSE OF COMMONS

Mr. D. M. Fisher (Port Arthur) moved the second reading of Bill No. C-9, to amend the British North America Act 1962 (redistribution).

He said: Mr. Speaker, this is a very simple bill. I brought it before the house in each session of the last parliament, and while we had some interesting debates it never received approval, was never sent to a committee or given any great examination. The purpose of the bill is set out in the explanatory notes, as follows:

> The purpose of this bill is to introduce in subsection (1) of section 51 of the B.N.A. Act, 1867 the underlined words "independent of the Parliament of Canada," so that the readjustment of the representation in the Commons be done in future by an independent body rather than by a committee of the House of Commons.

In going through my notes, Mr. Speaker, I found this from the Ottawa *Citizen* of March

7, 1959. The heading is, "See Federal Election May or June of 1962". The article reads, in part:

> Douglas Fisher (CCF-Port Arthur) said Friday in the Commons he has "a pretty good hunch" that the next general federal election will be in late May or early June, 1962.
>
> He based his prediction on the belief that if Prime Minister Diefenbaker calls the election for a later date he will be faced with a redistribution of the 265 seats in the Commons.

My prediction was on the mark and this parliament, of all parliaments, Mr. Speaker, considering its makeup, is faced with the question of redistribution. In view of what is expressed in the speech from the throne I can only assume that the government intends to proceed in this matter. However I would hope it would not proceed with the bill that was brought before us at the end of the last session, when parliament was just dissolving, the electoral boundaries commission bill.

I know that many of the new members in the house are not aware of all the complications, difficulties and problems related to redistribution, but yet the hon. member for York Centre (Mr. Walker), new as he may be but being aware of the problems of his constituency, must realize that his constituents are a perfect example of the failure of what is just basic democratic justice, that is, representation by population or equal strength of votes.

Without going into too great detail in relation to this, I would like to offer to new members of the house a paper which I prepared some time ago listing all the areas, in square miles, of the various constituencies in Canada, their populations in the census of 1951 and 1956, their estimated populations in 1957, and I hope very shortly to have it brought up to date covering the 1961 population figures.

Basically our constituencies are supposed to be determined by their population. That principle is inherent ever since confederation, although it has been badly marred in its operation. The principle is that the vote of each Canadian should be equal one to the other. Let me give this example at the present time in rough terms, because it is the most apparent one. I do not want to comment on the reasons for the disparity, but a voter in Scarborough needs 19 people voting with him to have the effect of one single voter in Iles-de-la-Madeleine.

Let me put it another way and stay within a single province. The vote of the voter who put the hon. member for York-Scarborough (Mr. McGee) into this house, was diffused five times from the vote that brought the hon. member for Dufferin-Simcoe (Mr. Rowe) into the house. An example with less disparity is that the hon. member for Fort William (Mr. Badanai) sits in this house with a factor of not quite half of the hon. member for Port Arthur, whatever party he may represent, because the population of Port Arthur is that much larger.

In our constitutional arrangements under the British North America Act with regard to determining constituencies, the requirement is that after every census each ten years, a redistribution takes place to take into consideration the changes in populations; but through a number of adjustments that have been made, Canadian politicians—and I do not think this is any disgrace on their part—have compromised and compromised away the equal vote principle over the years.

I can give some examples. There is a population of approximately 100,000 on Prince Edward Island at the present time and there is a population of almost 300,000 in a constituency such as Mercier in Montreal and York-Scarborough in Toronto; yet Prince Edward Island has four seats. Other examples of such populous constituencies are York Centre, Carleton, one Edmonton constituency as well as a couple in Vancouver, each of which is represented by only one member.

The reason in this particular example is that there is a so-called Senate floor written into section 51 of the British North America Act, which provides that no province can have less representation than the number of senators it has. At the present time two provinces, New Brunswick and Prince Edward Island, have this Senate floor. This is fine. As provinces, this guarantees them representation in this house that cannot go any lower; but what is happening to a province such as Saskatchewan? We have a 15 per cent escape clause written into section 51 as a result of the activities of the Right Hon. James Gardiner and other politicians of that province. They did not want to face up to the number of seats Saskatchewan was going to lose after the 1951 census, so they put in an escape clause which, if it remains in for the next redistribution, will save Nova Scotia from losing one seat, as well as Saskatchewan, although it cannot serve Saskatchewan so well as it did last time.

Saskatchewan and Manitoba, still above the protection of the Senate floor, are being reduced more comparatively than the provinces that have already reached the Senate floor; and because we have a ceiling on the number of seats in this house, namely 265, provinces such as Ontario, Alberta and Quebec, whose populations have grown faster, are not given the requisite number of seats

in any adjustment, that in terms of equity might come from Prince Edward Island and New Brunswick.

This is a very complicated situation, and all I can argue from the record, from the past statements of the Prime Minister, is that the application of change in this situation should be dealt with by an independent commission. That is the reason why I have brought this bill forward. It seeks to amend the British North America Act and underlines the point that we should have a redistribution commission independent of parliament.

In order to make my case for the bill I can do no better than refer to Bill No. C-87, which was introduced late, towards the end of last session, and which I hope all new hon. members will study. It was a bill entitled:

An act respecting the establishment of an electoral boundary commission for the readjustment of representation in the House of Commons.

There are many criticisms we can make of that bill, but there was no opportunity to make them during the last session. Instead of setting up a commission that is independent, that bill proposed setting up a commission that would report to parliament, or lay its report before the Speaker. There was no requirement in it that its report should be acted upon at any time, and I want all hon. members to look at some of the escape clauses in that bill which would in effect ruin any impartiality the commission might have.

In saying that I am not talking about the impartiality of the people who might compose the commission. I am talking about the escape clauses that exist in the bill, and in clause 12 of it there is this final escape clause:

notwithstanding anything in rules (a), (b) and (c)—

—which set out the rules under which the commission could operate—

—where, for any reason, the commission is of the opinion that the strict application of those rules in any particular case is not practicable or would be likely to produce an inequitable result, the commission may make such departure therefrom as appears to it to be practicable or to be necessary in order to avoid that result—

That is nothing but a blank cheque. I do not know what it is a blank cheque for, but the whole intention surrounding this commission was that it was to be an ad hoc one. That is, it was to be set up for this occasion, and the only permanent man named on it was to be the chief electoral officer.

Can hon. members imagine the devil of a position the chief electoral officer would be in if he were to be the only permanent member? The other members could send in the report and they would leave the chief electoral officer to answer for it. In passing I may mention that two of the other members were to be judges, and some of us have doubts about the complete impartiality of judges.

It is not my intention to tear the electoral boundaries commission bill apart, but I do want to give forewarning to hon. members that in some ways this cannot be a partisan issue. I would like new members to look at that bill and see what the government proposed. I would like them at the same time to examine the bill I now present, and I ask for their support because I think my bill would force or require that any legislation the government introduces on this matter would be a better bill, a more impartial bill, than the one they presented in the last parliament.

There is to my mind a real urgency here, and I address this urgency to my friends of the Social Credit party. At the present time it is apparent that this government stands sustained in this parliament as long as it has the voting support of Social Credit. I put it upon the conscience of Social Credit members, not in any flamboyant way as did the hon. member for Niagara Falls (Miss LaMarsh) when she was needling them the other night, but just from this point of view. If they are going to sustain this government for long enough, say 18 months or two years, I would like them to begin to think that we must have redistribution and we must proceed with it; because as every month and every year goes by the injustices, the inequities of our present situation continue. If they do not give cooperation in seeing that we get redistribution at the same time as they support the government, it is quite possible that we will almost reach the next redistribution before the Canadian people are represented as they should be, and as our law really requires.

Mr. Speaker, I would hope that, because this bill is so simple and because the principle it supports is so apparent and so logical, it would not find any difficulty in receiving second reading and being sent to the committee of this house that has sat on a number of occasions in special circumstances with regard to electoral measures.

I think now is the time for us to have a germane discussion on this whole problem of redistribution. I can say to my Liberal friends, despite all their intense desire to get out on the hustings and get to the electorate, is there not a case made out, before we have such a test, that the Canadian people should have their rights of voting adjusted?

I have one last point, Mr. Speaker. In the United States this whole issue has reached tremendous proportions in the last 18 months. Malapportionment is what they call it in the

United States. Some American individuals, zealous of their rights as Americans, took it to the courts. They took to the courts the fact that their vote was not worth as much as some of the rural votes, the fact that the United States congress is dominated by rural representation because of this malapportionment, and they won a verdict that has resulted, both in the states and in the whole federal apparatus, in an adjustment towards giving a decent break on this question of one man, one vote—on an equal basis.

I have tried to find, personally, a lawyer in Canada who can provide me or some of my friends with an injunction or an order of some kind—under the bill of rights, if you would—that would allow us, or me, or one of my friends to bring some kind of an action to prevent, if necessary, an election until the injustice of our present constituency representation system is corrected. So far it has been beyond the ingenuity, perhaps the brainpower, of my friends. The hon. member for Bonavista-Twillingate may have richer sources to draw on. In any case, I feel there is a real issue here, both in abstract and practically.

In closing, Mr. Speaker, I should like to explain to hon. members why I have been interested in this question. I represent a riding that is almost one third of the land area of Ontario. It has a population splattered all over the place. It is a most difficult riding to represent well, in the sense of keeping in touch with your constituents. I tried to find out why this disproportion of a high population plus a huge area had been allowed to develop. I was told that at the times when redistribution did come up, the Liberals would get together in their little Ontario caucuses and say, "What sort of adjustments are you fellows looking for?" And they always found that the previous member for Port Arthur, the Right Hon. C. D. Howe, really was too busy to take any interest. As a consequence Port Arthur remained the same, while all around constituencies were being adjusted.

One of the consequences of this partisan approach and the disinterest of Mr. Howe has left an anomalous situation that the New Democratic party representatives inherited. My hon. friend from Timmins has a lovely little pocket borough, as I call it, 35 miles by 35 miles, that he can jaunt around in an afternoon; and he has a population just about half of what Port Arthur has—and Port Arthur is 500 miles north to south, 365 miles east to west.

I am not complaining about this situation, but I would like the house to understand the kind of disparity that has resulted from our practices in the past. I think the onus to really reform now is most important, not because I think an adjustment in favour of the urban voter is going to bring any great advantage to my party or to any other party, but I think it is a matter of increasing importance in the interests of this country that relate to the urban dweller. So many of our problems today are becoming increasingly related to metropolitan areas, large cities, suburban areas, to housing, planning, welfare and things like that; and at the present time—make no mistake about it—in almost every part of Canada those areas are underrepresented and the favour has gone to the rural and the traditional areas.

I can count on other hon. members in this debate pointing out some of the striking changes that are in prospect in Quebec and some of the other provinces. British Columbia, to an extent, and Manitoba in particular have given the federal government a lead in a sense, since they have put the apportionment of the constituencies on a fair basis. I would hope that—

Mr. Pickersgill: Did you say, British Columbia?

Mr. Fisher: —this simple bill will receive what it deserves, the very ready consideration and support of hon. members in sending it to a committee of this house.

Mr. Stuart Fleming (Okanagan-Revelstoke): Mr. Speaker, the hon. member for Port Arthur asks us to consider his bill favourably, partly on the basis that it is very simple and because its principle is apparent. It is for the very reasons that it is simple and its principle is apparent that I oppose it.

There is a resolution on the order paper dealing with the question of an electoral boundaries commission, to be reintroduced by the government this session, which appeals to me despite the strictures of a similar piece of legislation which the hon. member mentioned. It appeals to me because it does not include the very thing that I find objectionable in the hon. member's bill, and that is the operative phrase "independent of the parliament of Canada".

If we are going to pass a bill of this kind, if we are going to say that it is more desirable in Canada to do the business of Canadians and of parliament through commissions independent of parliament, then let us all pack up and go home, because if we are incapable of this function, we are capable of no function. It is time we started to think in those terms.

Granted, there have been, I have no doubt, abuses in the past. If you deal only in the past, if you deal only with the methods and considerations of the past, I suppose you can find a basis for a bill of this kind. But surely

it would be far better to find a method of dealing with this problem by which parliament retains its rights, by which parliament retains its responsibilities, before we pass a piece of legislation that takes it out of the hands of parliament and makes the whole subject independent of parliament. Parliament would never be able to regain its position, if that were done.

I am not one of those people now—perhaps five years ago I was—who believes that the solution of all our problems and the correction of some of the anomalies that exist in the government of the people of Canada at any level can be achieved by independent commissions which the politicians cannot touch. After all, whom do the people come to for their representation? They come to the politician. They do not expect to find the politician's hands so completely bound that he cannot act on their behalf when they bring him their legitimate problems. Over and over again it is becoming the case in Canada that when people come to see their elected representative, he cannot do anything on their behalf because he is confronted by a board or a commission or a tribunal of some kind, independent of parliament.

I am surprised to find that the hon. member for Port Arthur (Mr. Fisher) has introduced a bill with these words in it, because I seem to recall that in times past he has dwelt at some length in this house on the erosion of the responsibilities of parliament. He has suggested on occasions in the past that we are becoming limited in our ability to act because the executive has taken away from parliament the powers of parliament. Do not these boards, commissions, tribunals and such also take away the prerogatives of parliament, giving them to people whom we cannot even reach through correspondence, or even in party caucus? I believe the suggestion that we could solve this problem by taking the ultimate responsibility out of the hands of parliament is no solution. It would only create another problem.

The suggestion that a commission of technical experts might make recommendations to parliament is in my view far more satisfactory because if those recommendations were based on a careful and impartial assessment of the electoral pattern it would be a very difficult thing, or a very foolish thing for a government to reject the findings of such a commission. I have no doubt that any such findings would receive careful scrutiny in the press and elsewhere. The people would be fully aware of them and if they appeared sound, were properly presented and logical in their reasoning it would be a very brave parliament or a very foolish government which would endeavour to upset them. Before changes of this magnitude are made I believe we must try to establish a procedure more satisfactory than the procedure of the past, but not as sweeping as the proposal put forward by the hon. member who, apparently, contrary to so many professions of principle he has made in the past, is now prepared to say to us: admit you are incompetent and dump the job on another board. That, I am not prepared to do and therefore I cannot support a bill such as this.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to begin by congratulating the hon. member for Port Arthur on bringing this bill forward, because I think it is a good idea to have some preliminary consideration of the principles underlying this whole problem before we consider the legislation which the hon. member for Okanagan-Revelstoke referred to as being in contemplation at this time. It may be that some of the things which have been said in this debate today will have a certain influence on the government in improving the proposals they intend to bring before us a little later.

I do not believe anyone seriously thinks the hon. gentleman's bill is going to pass or get a second reading, though, as I say, I believe it is helpful to have a discussion on this subject. I had always regarded the hon. member for Port Arthur as a sort of grass roots egghead. I must say therefore that I was astonished to discover yesterday—and I cannot congratulate him on this—that the hon. gentleman has now joined the Prime Minister in that witch hunt for bureaucrats. I must say the performance of the hon. member was perhaps a little more literate than that of the right hon. gentleman, but the principle was the same.

It is very odd to find the two of them in the same boat, and all the odder when one thinks that the hon. member is the grass roots branch of a party which more than any other party has prided itself on being composed almost exclusively of intellectuals, highbrows and academics. This may be the new element in the New Democratic party. However, having joined in the witch hunt for bureaucrats last night, the hon. gentleman today comes in to suggest the creation of super-bureaucrats, as the hon. member for Okanagan-Revelstoke has just pointed out, who would be independent of everybody—even, presumably, of the Supreme Court of Canada.

I read the bill this morning when I heard it was coming up this afternoon and I can hardly conceive of anyone in this house seriously thinking that parliament could so abdicate its functions as to suggest that a responsibility which the constitution gave to parliament in the first place should be handed

over in a final way to someone else without any power of review. I must say I found myself in agreement with a good deal of what was said by the hon. member for Okanagan-Revelstoke about the desirability of having a non-partisan commission do the preliminary work and make a report. Indeed, I would go even further, perhaps, than the hon. gentleman would go. I would impose on such a commission the duty not merely of making a report but of drafting a bill of a kind that they thought would, in a non-partisan and equitable way, redistribute the representation in this house. I would make it an obligation upon the Speaker to lay that bill before this house, and upon some officer of the house to introduce the bill into the house.

But it does seem to me we could not properly abdicate our function of making sure that what was done did conform in a fundamental way with the constitution. Notwithstanding what the hon. member for Port Arthur has said about the desirability of one man's vote equalling the vote of another, we cannot lose sight of the fact that this country is a federation of provinces, and that such a federation would never have been made in the first place if it had not been understood in those regions which in some respects are less favoured by geography, and in certain other ways, that they would have additional weight in the parliament of Canada to counterbalance to some degree their geographical and other disadvantages. It is evident, for example, that the territories would have no representation at all in parliament if the principle enunciated by the hon. member for Port Arthur were carried to its logical conclusion, because even if you added all the territories together there would still not be a population large enough to entitle them—

Mr. Fisher: On a point of order, I think the hon. member is wilfully misrepresenting my position from this point of view. The bill would create an independent commission but it would have nothing whatever to do with the relevant section of the British North America Act which provides these floors and other devices which protect those areas whose geographical nature—

Mr. Speaker: Order. The hon. member is rising on a point of order and stating that the hon. member for Bonavista-Twillingate is wilfully misrepresenting. I do not conceive that to be a point of order, particularly as the hon. member is now arguing or answering the case that is being made by the hon. member for Bonavista-Twillingate. He has his turn to reply to or to argue any position. I do not think it is a point of order to interrupt an hon. member immediately to argue the case against him, so I will yield the floor to the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: Mr. Speaker, I did not interrupt the hon. gentleman though Your Honour is quite right in saying that there was no point of order. He was, I am sure unwittingly, quite insulting in suggesting that I was willingly perverting his words, because I was not seeking to do anything of the kind. I was seeking to understand the obscurities in his mind and to throw a little light upon them. If I misrepresented anything I am only too anxious, particularly because I do not think this is a partisan subject at all, to represent them correctly.

But it seems to me that in his intervention he provided another powerful argument against his bill. An independent commission is not going to be independent, it seems to me, if it is going to be bound by all sorts of rules and regulations. I for my part would be far more interested in an amendment to the British North America Act which would correct any anomalies that any hon. member feels there are now in the fundamental law. In that respect, sir, I think that when we do come to consider the setting up of a non-partisan commission which will report to parliament—I am not seeking to anticipate a future debate in saying this—it is very important that we should prescribe the broad rules under which that commission is to operate. We should not give them, as the hon. member for Port Arthur described it in his speech, a blank cheque, but we should tell them what the rules are to be, for example, what the maximum population for any riding should be. I think the hon. member made a real case there. It really is a scandal to have ridings as large as Scarborough and some of the others which have been mentioned. It is even more scandalous to have a riding such as that represented by my indefatigable friend from Grand Falls-White Bay-Labrador which contains about four fifths of the area of the province of Newfoundland and has a larger population than any other constituency in the province. That is an anomaly. It is an anomaly which now exists only because the government neglected its proper duty to redistribute before the last election. There are, of course, a good many other anomalies of that sort.

Another thing said by the hon. member for Port Arthur with which I agree is that it would be very desirable, if it can be accomplished, to have the redistribution take place before there is another election. I say "if it can be accomplished", it would be very desirable. In fact, under the constitution it could have been done before the last election. Before the last election the government had over 200

members in this house, they could have carried out their constitutional responsibilities had they wanted to, and it is rather unfortunate that this matter has been delayed as long as it has. However, I would not favour —and here I disagree profoundly with the hon. member for Port Arthur—putting any more impediments into the constitution in the way of inflexible rules which will prevent the people from exercising their will, however imperfectly they are able to exercise it because of the distribution of seats in this house, whenever that is necessary in the public interest—and it may very well be, almost any day, sir, as Your Honour well knows, because of the composition of this house.

So I would not want to see anything done which would freeze this particular house or this particular parliament for any length of time. However, I think that because it is a constitutional obligation, this is a matter in which the government should not delay. I think this particular piece of legislation should be brought forward by the government at once; that it should be given priority over everything excepting really urgent financial questions till it is dealt with; and that the commission should be set up equally without delay and urged to report with all possible speed. Because it is the duty of every hon. member of this house to uphold the constitution and to uphold what is, after all, as I think the hon. member for Port Arthur very rightly said, in a fundamental way the basic provision of the constitution, and that is that the people shall be fairly represented in this house which purports to speak for the people of Canada.

As to the desirability of having the basic work done for the redistribution by a commission, I do not think there is much disagreement in the house any more. I do not think there was in the last parliament, and I hope there will not be in this one. I did not understand the hon. member for Okanagan-Revelstoke to object at all to having a non-partisan commission. I listened to him carefully, and I am sure I understood him to say that he favoured it. But he insisted that its report should come back here to be dealt with finally, in this house and in the other place, before it became law. That is precisely the position, of course, which is taken by my hon. friends in the official opposition. I do not know whether the hon. member for Port Arthur is speaking for the New Democratic party through this bill, which would take the final disposition of the matter out of parliament altogether, but I had always thought previously that that was also the position of the New Democratic party.

In any case, I do not think that anyone any longer wants to have a committee of this house do the preliminary work of redistribution. I think there is general agreement that this should be done by persons who are less partisan than we are here, and by persons who will be as non-partisan as can be found in the country. Here I would like to say that I hope we can find such people without making too great a demand upon the law courts, because whatever is done is going to displease a lot of people and there is going to be a real danger of imputing motives to those who do it, and of dragging judges into politics, which I have never favoured myself. It seems to me that there are other non-partisan persons in this country who could be drawn upon to compose such a commission without calling upon the law courts.

There is just one final point. I think that when a commission comes to be set up it should be set up by parliament and its membership settled in parliament. It should not be left to the governor in council to appoint the commissioners. Because surely the last thing we want to do, under the guise of getting a non-partisan commission, is to switch the redistribution from this house to the governor in council. That is what we would be doing if we accepted a bill which gave to the governor in council even the formal power to appoint the commissioners. They should be named in the legislation itself.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I do not intend to take very much time on this measure which is now before us, but I felt that I should make one or two observations in connection with the bill as presented by the hon. member for Port Arthur.

I believe the bill now before us has wide ramifications. Many measures are brought before us, of course, and many of them are more or less controversial. While this bill has been designated a comparatively simple one, it would seem to me that it is tied in with issues and problems which demand a great deal of careful and thorough consideration. The issue itself is, I believe, one of general concern. The reasons for this suggestion have been pointed out by the various speakers as they have contrasted the number of voters in the various constituencies. I am sure we all agree that the issue itself is one of great importance in order to ensure Canadians a fair representation here in the House of Commons.

The purpose of the bill, no doubt, is to try to remove this important and necessary

matter from the influence of partisan politics. However, there are a number of questions that would have to be answered before we would consider ourselves to be free to support the measure presented. I was not just sure whether or not the hon. member for Port Arthur was speaking in favour of an independent commission whose report would not be submitted in any part or at any time for the consideration of parliament. However, I would agree with those who have suggested that it would be more or less an abdication of our responsibility to appoint a commission, to allow them to proceed to draw up the boundaries, and then to have the matter passed without having it given consideration here in the House of Commons. A great many matters would need to be taken into consideration. A great many factors would have to be noted. The suggestion has been made relative to the appointment of the members of the commission. I would submit that this is a matter of tremendous importance. As has been pointed out, in order to remove it from partisan politics, we would require to know who were going to be members of that particular commission and under what circumstances they were appointed. Other matters would need to be considered as well, including the matter of whether one commission would be sufficient to carry through with the responsibilities outlined in the measure or whether they would be able to delegate some authority and responsibility to other bodies as well.

The hon. member for Port Arthur proceeded to pass along to the members of this party some friendly suggestions and advice. He suggested that we ought to give serious consideration to the matter of continuing to support the government in view of some of these considerations. He also proceeded to suggest to the Liberals that it might be advisable to delay an election, if I understood his suggestion correctly, until this problem was resolved. The question that arises in my mind is as to just why the hon. member for Port Arthur and his colleagues supported the Liberals in their efforts to overthrow the government and precipitate an immediate election. I find it hard to understand the connection between those two suggestions. Those are the only observations I wish to make at this time, Mr. Speaker.

(Translation):

Mr. Marcel Bourbonnais (Vaudreuil-Soulanges): Mr. Speaker, I was glad a while ago to hear the hon. member for Port Arthur (Mr. Fisher) express, in his usual unassuming way and with some humour, the rather socialist ideas which are typical of the New Democratic party.

The member for Port Arthur told us that the constituency he represents had an area of 300 miles by 500 miles, that is to say, almost of the same size as France. Even if the area he represents is as large as the territory General de Gaulle looks after, its importance is somewhat different.

Be that as it may, I believe that a redistribution of the electoral districts of Canada will become absolutely necessary. But how should it be done? I am inclined to agree with the person sitting next to me, the hon. member for Okanagan-Revelstoke (Mr. Fleming), who feels that a commission should be set up to define the boundaries of the districts to be represented in the forthcoming parliaments. I am of the opinion that a commission should be appointed to study the technical aspects of redistribution and report to a parliamentary committee which would examine the situation and decide upon the changes to be made.

I realize that French Canadians do not always show the utmost respect for parliamentary rule. For my part, I believe that such a procedure would show the greatest consideration for each province and, consequently, for the people of the different areas of Canada.

When my friend the hon. member for Port Arthur refers to unequal representation in such ridings as Scarborough, Iles-de-la-Madeleine, Mercier and Vaudreuil-Soulanges, he speaks of entirely different situations. Thus, when he mentions representation according to population, he means that each citizen is to be put on an equal footing, that is to say, that the voters should be divided into equal numbers. That is absolutely wrong. Indeed, he claims that we are all equal. Well, I suggest that the only time we are equal is when we are born and when we die. Throughout our life, in everything that happens, in everything we do, we see that we are not equal.

I do not mean by this that one area of the population is not equal to another, that one individual is superior to another. We are all equal with respect to taxation and, therefore, with respect to representation in parliament. Apart from that, we are not equal.

It would not be logical to compare a riding of 50,000 or 60,000 voters in a large city with a rural riding of 12,000 or 20,000 voters.

We must realize that city people have identical problems, while rural people have different ones. For instance, you have on the one hand the worker living in a city who is only a tenant and whose sole interest is to increase his salary in order to provide for the welfare of his family while on the other hand, you have the farmer who owns many acres

of land and a herd, who has a responsibility, not only towards himself, but towards the whole community and who must all year round keep an eye on all developments and on measures introduced by the government in the public interest.

If I draw a parallel between those two citizens, I submit that when voting time comes around, the farmer will be able to make a more objective decision and show less partisanship than the city dweller who has never been concerned with administrative matters or been involved in election work.

Besides, that is proved by the fact that when an election is called, there is always a great number of city people who do not vote. Why? Because it is not in their interests to voice an opinion or still because they do not know for whom or for what to vote. On the other hand, one finds very seldom in rural ridings an elector who does not hold decided views or change opinions when some party offers certain advantages or advocates a policy more beneficial to rural citizens.

It is not my intention to draw a parallel between city people and farmers, but rather to indicate that certain rural citizens are interested in politics, in general, compared to those living in cities.

An example of this is to be found in the influence exerted by Canada. Actually, our country, with a population of only 18 million inhabitants approximately, exerts a much greater influence at the United Nations and within international organizations than some nations of Africa or South America which have much larger populations. Why is that? Simply because our country is entirely civilized, because our cities and towns are well organized and our citizens are in a better position to express pertinent views about the current situation than certain citizens of those less privileged countries with a lower level of education.

This shows undoubtedly that representation should not be proportionate to the number of electors, but should be established rather according to the various regions, the different racial, cultural and industrial groups, and in ratio to the number of people with more interest and education than the others.

Consideration will also have to be given to representation by province. In my opinion, certain provinces do not have the representation they should have. I feel it is most important that we examine in a new light the number of seats which are given to a province so that each of them may enjoy proportional representation.

We must recognize the fact that each of the ten provinces has different characteristics, different problems and is self-governing. Consequently, each province must have proportional representation if Canadian unity is to be maintained.

I am sure all our Liberal friends in the opposition will join with us in that regard. Even if we do not quite agree with the hon. member for Bonavista-Twillingate (Mr. Pickersgill)—

An hon. Member: Even Social Credit members.

Mr. Bourbonnais: —I think the Liberals will join us so that parliament may always remain supreme and be the final authority concerning the question of redistribution.

(Text):

Mr. J. H. Horner (Acadia): In rising to speak on this measure, Mr. Speaker, I find myself in complete agreement with my colleague, the hon. member for Okanagan-Revelstoke. When I first looked at the bill I noticed the underlined phrase, "independent of the parliament of Canada". I am very much against that principle. It seems that now we are continually confronted with boards and commissions which are independent of parliament, independent of a member, and so on. I have always been against that idea, and particularly in so far as it relates to a question such as this.

It may be well and good to talk about one vote being equal to another vote. However, we must have representation by the people and we must have representation for each segment of the country, for each industry in the country. What would happen if this principle of one vote equal to another were adopted? What would happen if this idea were projected 20 years from now, with the drift towards urban living? We would have hardly one seat in this house which was truly representative of agriculture. The control of parliament would be in the hands of the large urban centres. There would hardly be a seat in this house which would be dependent upon agriculture, and agriculture would not have its proper representation, as a result of the economic importance we must place on this industry today.

This question of redistribution has come up from time to time federally, just as it has come up in every province of this country. While I do not agree with the government of Alberta very often, I find myself in agreement with them on this question. The government of Alberta considered redistribution within the last couple of years, and they took into consideration the importance of the different industries in that province, the different segments of the province, along with the principle that one vote should be equal to another vote. It is all right to say that we should have an independent board. I gathered from the hon. member for Port Arthur that he wanted this to be a permanent body. What would it do in between each ten-year period? Certainly it would be an inflexible body. It would go on for years and years studying this same question. It would be very difficult to reach and very difficult to change. Certainly, in my opinion, this board would not be as good as the commission that could be set up under the resolution that is now on the order paper.

This commission would report to parliament, and would give parliament an opportunity to have a voice on the question of redistribution, to make sure that there was representation for the various industries. Certainly, when the census is taken every ten years we can see the continual shift of the population. I could give figures which would indicate that perhaps 10 per cent of the population depends upon agriculture for its living. Certainly these remarks could be related to other industries such as the coal industry in the maritimes, the oil and gas industries and so on. I feel quite strongly that all these industries need representation.

The hon. member for Port Arthur also indicates that he accepts the permanent floor placed under representation in the B.N.A. Act. He accepts it with regard to Prince Edward Island and New Brunswick. He, therefore, accepts a deviation from his principle which he has outlined of one vote equal to another. I think we must go further than this initial deviation which he has already accepted, and we must accept the fact that industries of prime importance to this country must have representation in this house. This representation must be a continuing thing. We should not be able to look ahead 10 or 20 years and see this representation dwindling away so that ultimately important segments of the country will have no voice in the development of this country. After all, Mr. Speaker, we are sent here to govern, to regulate the economy and to develop this country. Without representation from the various segments in the country, without representation from the different industries in the country, this would be a very difficult job to do.

May I call it six o'clock?

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire from the house leader what the business will be on Monday and for next week as well?

Mr. Churchill: We will start on Monday, Mr. Speaker, with the bill founded on the resolution which was passed today in the name of the Minister of Trade and Commerce dealing with the Export Credits Insurance Act, and take second reading. The second item will be the resolution standing in the name of the Minister of Agriculture dealing with the Farm Credit Act which is No. 16 on today's order paper. The third item will be second reading of Bill No. C-3 in the name of the Minister of National Health and Welfare dealing with food and drugs, and the fourth item, the resolution in the name of the Prime Minister dealing with the electoral boundaries commission, which is No. 14 on today's order paper.

I imagine this will take us the most of Monday and Tuesday. The order of business I have announced will hold except for the fact that I want to consult with one of my colleagues. If there is a change in the first two items, I will let the members of other parties know by noon on Monday.

Mr. Chevrier: May I bring to the attention of the house leader the fact that the Minister of Finance indicated the estimates would be tabled on Tuesday. I take it there has been no change in that, and I presume we will have an opportunity of discussing them during the course of the week.

Mr. Churchill: Well, if the Minister of Finance announced the tabling of the estimates, that of course will be done. Whether or not they will be discussed later that week, we will advise the house later on.

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

HOUSE OF COMMONS

Monday, October 15, 1962

The house met at 2.30 p.m.

AGRICULTURE

ARDA—ANNOUNCEMENT OF SIGNING OF AGREEMENT WITH PROVINCES

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I am pleased to inform the house of a major milestone in the development of the ARDA program; that is, the signing of agreements between the federal and provincial governments for implementation of the ARDA program in eight provinces, Nova Scotia, New Brunswick, Prince Edward Island, Quebec, Manitoba, Saskatchewan, Alberta and British Columbia. Also, Mr. Speaker, I have just this morning received word that the provinces of Newfoundland and Ontario have signed the general agreement.

These agreements launch the program into action by permitting approval of a wide range of individual projects, and open a broad new field for joint federal-provincial action to develop rural areas and resources. The agreements list nearly forty types of joint projects to permit a broad scale attack on the development problems of Canada's rural areas.

The general agreement provides for a maximum federal contribution of $50 million for programs and projects in all provinces during the initial three year period covered by the agreement. I regard this as a sound investment in economic health and increased productivity in our rural areas. Although these initial agreements are for a three year period only, ARDA is of course designed as a long term program. We are going to use the three years to undertake a large number of pilot projects and extensive research, and to work out the best means of implementing the program's long term goals.

This program has very great import for rural areas, but it has growing importance also for urban dwellers whose need for efficiently produced food and for land for recreational and residential purposes makes their stake in the wise use of the resources of rural areas increasingly great.

Mr. Speaker, I am pleased indeed that the machinery and working policy are now being established through federal-provincial co-operation to get the program into action. I would like to herewith table the general agreement, which is uniform with the provinces, for the information of members of the house.

Mr. Speaker: Has the minister the unanimous approval of the house to table this general form of agreement?

Some hon. Members: Agreed.

Mr. Hazen Argue (Assiniboia): It is almost two years since the government introduced the ARDA program, and we have been waiting ever since those days for some indication of concrete action. The statement made to the house this afternoon by the Minister of Agriculture does not necessarily mean concrete action as I understand it; it is a general statement, and as far as I can understand from the minister no specific projects have been agreed on.

Mr. Benidickson: Not one.

Mr. Argue: The minister went on to say—and I was disappointed in this—that for three years the governments concerned intend to spend their time on pilot projects and on research. I had assumed from the minister's words in the past that he had a program. We thought he was about to launch it, and we thought in a short time it was going to change the face of agriculture in Canada. We see now that there are no concrete projects; this is only a general agreement.

The minister has set the amount involved at a maximum of $50 million. I would only point out that under P.F.R.A., a restricted program in the sense that it applies to only a restricted part of the country, far larger sums have been spent on occasion.

We shall continue to await evidence of concrete action by the government in this field.

Mr. A. B. Patterson (Fraser Valley): We appreciate the announcement which the Minister of Agriculture has just made. We recognize the need for concerted efforts being made in this direction—in fact the need is long overdue—to resolve many of the problems which are facing the farming communities right across the country.

As has been pointed out, this is a general statement, as we do not know what is involved. However, most of the provinces have already agreed to the terms of this measure, so we in this group welcome the announcement and shall look forward to the legislation being brought before us.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, while the members of this group would not go so far as to term this statement by the minister as peanuts, we must say there

has been considerable irritation and criticism in some quarters at the delay in action with respect to the ARDA program to date. That criticism has been evidenced in farm periodicals and as a result of meetings of farmers' organizations, and on the part of some farmers themselves who expected far earlier action on the part of this government.

Anyway, we are pleased to hear of this start. We expect the minister to keep the public informed of developments and of progress through periodic announcements to this house. In that connection, Mr. Speaker, we look forward to hearing his announcements week by week as to the steady and concrete progress made in the development of this program, which we all support in principle, but wish to see given effect in detail.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DEFORMITIES IN INFANTS

Question No. 5—**Mr. Martin (Essex East):**

1. Is the government carrying on any research to determine the cause of phocomelia and similar deformities in newborn babies?
2. Have any government grants been made to any individuals or organizations for the purpose of carrying on medical research into the cause of phocomelia?
3. How many cases of deformities at birth have been reported to the government in the past year?
4. How many cases have been attributed to the use of thalidomide during pregnancy?
5. In cases not directly attributable to the use of thalidomide, has any other cause of deformity been shown?

Answer by: **Mr. Monteith:**

1. The Department of National Health and Welfare in co-operation with the academy of medicine and the pharmaceutical association of Ottawa is conducting a pilot study of the use of thalidomide by pregnant women.

2. No requests have been received and no government grants have been made directly and specifically for this purpose. Under the national health grants program grants have been given to individuals to support research which may assist in understanding the cause of phocomelia. This includes several projects in the general field of genetics as well as a number of perinatal mortality studies.

3. There is no routine reporting of birth deformities to the federal government other than those appearing on stillbirth and death certificates. During 1961 the dominion bureau of statistics reported 2,192 deaths of infants and 835 stillbirths attributed to congenital malformations. These deaths and stillbirths are those for which the underlying cause is one of the diseases or conditions specified in the world health organization international classification, section XIV congenital malformations with respect to deaths, or specified in the classification of causes of stillbirth (Y38), congenital malformations of foetus, in the case of stillbirths.

The provinces have been asked for additional information about congenital anomalies at birth, and some further information should be available later.

In six of the provinces there is provision for reporting congenital abnormalities in live births and stillbirths on a physician's notice of live birth or stillbirth, but there is no regular and uniform tabulation of the data for these provinces. However Ontario, for example, has published data from this source for the years 1959, 1960, as follows:

1959:	Live born infants with congenital malformations	1,630
	Rate per 1,000 live births ..	10.4
1960:	Live born infants with congenital malformations	1,796
	Rate per 1,000 live births	11.3
	Stillbirths	270
	Rate per 1,000 live births ..	2.3

The term "birth deformities" and such similar expressions as congenital abnormalities, anomalies or malformations are not specific and may include relatively minor, superficial or temporary defects.

The occurrence of congenital anomalies, including problems of definition, classification and reporting, is under study in the Department of National Health and Welfare.

4. See answer above.

The number of deformities considered to have been caused by thalidomide is not known but data are being sought from the provinces and through the appropriate professional associations. As the inquiry is not complete an estimate cannot be made at this time. In any case, the proportion of all birth deformities which may be associated with thalidomide is expected to be small.

5. No other specific causes have been shown for these cases. Among other possible causes of congenital malformation are genetic factors, German measles and other infective diseases in the mother during pregnancy, and other conditions of the mother.

FOREIGN AID AND DEVELOPMENT—LETTER FROM WORLD BANK

Question No. 6—**Mr. Herridge:**

Has any communication been received, either directly or indirectly, from the president of the world bank asking Canada to channel a larger part of her foreign aid through international organizations and asking Canada to contribute a substantial sum to the international development association and, if so, what answer has been given?

Answer by: **Mr. Grafftey:**

The board of governors of the international development association at its recent meeting in Washington had before it a proposal, supported by the president of the association and the world bank, requesting the executive directors "to consider the prospective financial requirements of the international development association, and to prepare and submit a report thereon to the board of governors of the association at the earliest date, if possible before December 31, 1962." The board of governors adopted this resolution. No suggestions have been made concerning prospective financial contributions by individual members of the association.

5BX PLAN FOR PHYSICAL FITNESS

Question No. 8—**Mr. Herridge:**

1. Who authored the R.C.A.F.'s 5BX plan for physical fitness?

2. Has any communication been received from Dr. William Orban in this matter and, if so, what was the nature of the communication, and the nature of the government's reply?

Answer by: **Mr. Harkness:**

1. Some 25 R.C.A.F. officers and civilians employed by the R.C.A.F. took an active and creative part in the preparation of the 5BX plan.

2. Representations were received from Dr. Orban, or were made on his behalf, relating to Dr. Orban's claim that he be given public recognition as the author of the 5BX plan and be suitably recompensed. In reply, it was acknowledged that Dr. Orban played an important part in the project and his contribution was fully appreciated. However, since several persons were involved in the preparation of the plan, authorship was not attributed to any one individual.

DUTCH NEW GUINEA—CANADIAN ADMINISTRATIVE FORCE

Question No. 10—**Mr. Herridge:**

Has the United Nations organization asked Canada to provide personnel for an administrative force in Dutch New Guinea and, if so, what were the details of the request, and what was the nature of the government's reply?

Answer by: **Mr. Green:**

The United Nations has not asked Canada for assistance of a purely administrative nature for the United Nations temporary executive authority in West New Guinea, but a request was made for both military and technical assistance in support of the United Nations administration. On August 16, 1962, the acting secretary general asked Canada to provide:

(a) an air adviser of wing commander rank to serve at United Nations security force headquarters;

(b) two amphibious Otter aircraft with air and ground crews and spare parts.

Canada acceded to the request in full and all personnel and equipment required arrived in West New Guinea on September 2. All costs except regular monthly salaries will be borne by the United Nations, and both personnel and equipment are expected to return to Canada on or shortly after May 1, 1963.

On September 27, 1962, the United Nations Organization asked Canada to provide a diesel engineer for duty in West New Guinea. This request is being sympathetically considered.

*SKILLED WORKERS FROM WEST INDIES

Question No. 12—**Mr. Herridge:**

1. Has the Department of Citizenship and Immigration sent a team or teams to the West Indies to encourage the immigration to Canada of skilled West Indians under the new regulations and, if so, have any protests or communications been received from West Indian governments criticizing the new immigration regulations and the activities of the immigration teams on the grounds that they tend to attract to Canada skilled workers which the West Indies can ill afford to lose, and what answers, if any, have been made by the government?

2. Is it planned to send further teams?

Mr. McGee: The answer to part 1 is that an immigration team toured the West Indies in June and July of this year, not to recruit skilled migrants but rather to interview persons who had already applied, on their own initiative, for admission to Canada. No protests or communications criticizing the new immigration regulations and the activities of the immigration team have been received from any West Indian government.

The answer to question 2 is that the question of sending another team to the West Indies for a similar purpose is under consideration.

*BIRTH DEFORMITIES BY PROVINCES

Question No. 13—**Mr. Knowles:**

1. What are the numbers per thousand by provinces of birth deformities in 1959, 1960, 1961, and 1962 to date?

2. How many of these deformities are considered to have been caused (a) by nuclear tests (b) by thalidomide?

Mr. Monteith: This question calls for a verbal answer, Mr. Speaker, but actually it is quite lengthy and includes a statistical table. I wonder whether I might have permission to have the answer inserted in *Hansard* as read?

Some hon. Members: Agreed.

Mr. Speaker: How long is the answer, including the statistical table? How many foolscap sheets does it contain?

Mr. Monteith: Two sheets including the table.

Questions

An hon. Member: Order for return.

Mr. Speaker: There is open to members of the house an alternative. If a minister or whoever is answering a question has a very lengthy answer, the question may be made an order for return and the return then tabled immediately.

Mr. Monteith: I would so suggest.

Some hon. Members: No.

Mr. Knowles: May I suggest that the minister stick with his first suggestion.

Mr. Pickersgill: Which suggestion was agreed to.

Mr. Speaker: Then the answer will appear in *Hansard* as though it had been read.

[*Editor's note: The answer referred to above is as follows:*]

1. This information is not collected nationally at present with respect to all birth deformities. The numbers of infant deaths attributed to congenital malformations, by province, for the years 1959, 1960, 1961, as reported by the dominion bureau of statistics, are shown in a table with the corresponding rates per hundred thousand live births. These deaths are those for which the underlying cause was one of the diseases or conditions specified in the world health organization international classification, section XIV, congenital malformations (Nos. 750-759).

In six of the provinces there is provision for reporting congenital abnormalities in live births and stillbirths on a physician's notice of live birth or stillbirth, but there is no regular and uniform tabulation of the data for these provinces. However Ontario, for example, has published data from this source for the years 1959, 1960, as follows:

1959: Live born infants with congenital malformations 1,630
Rate per 1,000 live births ... 10.4

1960: Live born infants with congenital malformations 1,796
Rate per 1,000 live births ... 11.3
Stillbirths 270
Rate per 1,000 live births ... 2.3

The term "birth deformities" and such similar expressions as congenital abnormalities, anomalies or malformations are not specific and may include relatively minor, superficial or temporary defects.

The occurrence of congenital anomalies, including problems of definition, classification and reporting, is under study in the Department of National Health and Welfare.

2. (a) The relationship, if any, between radiation exposure due to nuclear tests and occurrence of somatic or genetic effects is not yet clearly established. Any genetic effects would be manifest over many subsequent generations. Somatic effects have only been found with much higher radiation doses than those associated with nuclear testing.

(b) The number of deformities considered to have been caused by thalidomide is not known but data are being sought from the provinces and through the appropriate professional associations. As the inquiry is not complete an estimate cannot be made at this time. In any case, the proportion of all birth deformities which may be associated with thalidomide is expected to be small.

Infant deaths attributed to congenital malformations (International classification section XIV Nos. 750-759)

Province	Infant Deaths			Infant Death Rates per 100,000 Live Births		
	1959	1960	1961	1959	1960	1961
Newfoundland ..	73	64	79	492	422	507
Prince Edward Island	13	12	15	478	439	529
Nova Scotia	86	93	90	452	486	464
New Brunswick	71	76	80	431	465	482
Quebec	738	668	740	518	435	539
Ontario	655	664	693	417	417	440
Manitoba	88	100	98	386	430	421
Saskatchewan ..	108	83	92	444	345	383
Alberta	155	169	182	407	433	468
British Columbia	157	142	116	393	354	301
Yukon	2	1	1	372	186	179
Northwest Territories	3	4	6	303	366	537
CANADA	2,149	2,076	2,192	448	434	461

NOTE: There were also 1,008, 970 and 835 stillbirths attributed to congenital malformations (Y38) in the years 1959, 1960, 1961, respectively.

SOURCE: Dominion bureau of statistics annual reports of vital statistics for the years 1959, 1960, 1961 data from d.b.s. by telephone.

*D.V.A. HOSPITALS—RADIATION LEAVE

Question No. 14—**Mr. Berger:**

Was radiation leave cancelled or reduced for persons employed as X-Ray technicians in hospitals administered by the Department of Veterans Affairs on or about August of this year and, if so, how many employees were affected by such cancellation or reduction?

Mr. Churchill: The civil service regulations which became effective April 1, 1962, under the new Civil Service Act do not contain the provision which was included in previous regulations for one week's additional vacation leave for certain employees working in X-ray departments of federal hospitals. However, the regulations provide for leave with pay, with no limitations, to be granted to employees who are found, as a result of regular physical examination, to be in need of such leave because of exposure to radioactivity. It is understood that this is the practice in non-federal hospitals. The establishment of the Department of Veterans Affairs provides for 87 X-ray operators who may be affected by this regulation.

MENTAL HEALTH SERVICES

Question No. 16—**Mr. Macnaughton:**

1. Has the minister, or the Department of National Health and Welfare, taken any steps to implement the proposals contained in the private member's resolution, concerning mental health, which was unanimously supported and adopted by this house on December 5, 1960?

2. Has the minister given consideration to the recent report by the Canadian Mental Health Association, entitled Mental Health Services in Canada, released in January, 1962, and the report of the study commission on psychiatric hospitals in the province of Quebec; and, has any action been taken in regard to the proposals set out in these reports?

3. Has the minister received any representations from medical persons, boards, or associations, concerning the utilization and size of the mental health grant; and, if so, what, in substance, were such representations?

4. Has the government considered increasing the grant sufficiently to meet the existing needs in this field?

5. Since 1958, how many provincial governments have requested the inclusion of mental hospitals in the federal hospital insurance program (Hospital Insurance and Diagnostic Services Act)?

6. Has the royal commission on health services been given any special instruction to study mental health services in any particular?

7. Has the government given any consideration to the introduction of measures necessary to bring about an improvement in mental health and motivation so essential in the development of physical fitness, such as, guidance clinics, school mental health programs, family counselling, and pre- and post-natal health services?

Answer by: **Mr. Monteith:**

1. The advisory committee of the Department of National Health and Welfare on mental health considered the private member's resolution and resolved in March 1961 and again in March 1962:

That the advisory committee on mental health approves the resolution adopted in the House of Commons on December 5, 1960, which called on the government to "consider the advisability of co-operating with the provincial authorities and such professional and other groups as may be interested, in making a national survey of the extent of mental illness, its causes, problems and methods of treatment", and considers favourably the advisability of a national survey.

That the advisory committee on mental health supports the resolutions by the Canadian Psychiatric Association and the Canadian Mental Health Association; and recommends that these resolutions be brought to the attention of the royal commission on health needs in the most appropriate manner.

That in the event that the general purposes of the Macnaughton resolution are not implemented by the royal commission on health needs the subject be brought again before the advisory committee on mental health.

It is understood that several briefs to the royal commission on health services brought this matter to the attention of the commission.

2. (a) A formal and final report by the Canadian Mental Health Association on the subject Mental Health Services in Canada has not, to the knowledge of the Department of National Health and Welfare, been issued. (The preliminary draft report bearing the above mentioned title was studied by representatives from various provinces and organizations at an institute supported by the department held in Ottawa in January 1962).

(b) Copies of the report of the study commission on psychiatric hospitals in the province of Quebec were received by the Department of National Health and Welfare in August 1962. Action is not contemplated on the proposals set out in the report since these come within provincial jurisdiction. However officers of the department have had a number of consultations with provincial officials with regard to these proposals.

3. Representations have been received that the mental health grant should be increased and provision be made for annual increases in accordance with the growth of population.

4. All national health grants, including the mental health grant, are under continuous study in order to provide suitable federal assistance on behalf of provincial health programs.

5. Subsequent to discussions concerning the inclusion of mental hospitals under the Hospital Insurance Program at the dominion-provincial conference held in November 1957, the inclusion of these hospitals was raised by Prince Edward Island, Nova Scotia, Manitoba, Saskatchewan, and British Columbia at the dominion-provincial conference in July 1960.

6. No special instructions have been given to the royal commission on health services. Its terms of reference remain as initially laid down by the government.

7. No, the government has not considered the specific introduction of particular measures to bring about improvements in mental health. The existing health agreements between the federal and provincial governments afford adequate means of working out in a co-operative way extensions and improvements in such services as guidance clinics, school of mental health programs, family counselling, and prenatal and postnatal health services.

ASSISTANCE TO PROVINCIAL MENTAL HEALTH PROGRAMS

Question No. 18—**Mr. Macnaughton:**

1. During 1960-61, how many projects were not approved, or reduced in amount, because the Department of National Health and Welfare did

not have funds allocated to assist the provinces with an orderly development of their mental health programs?

2. During 1960-61, how many hospital construction projects have been refused, or reduced in amount, because the Department of National Health and Welfare did not have funds allocated to assist the provinces with an orderly development of hospital facilities?

Answer by: **Mr. Monteith:**

1. The mental health grant, increased in the year 1960-61 to $8,765,391 from the previous amount of $7,234,868, was allocated to the provinces for that year under the terms of order in council of March 3, 1960 (P.C. 1960 18/257).

The provinces submitted projects for the development of their mental health programs within the amounts of allocation.

In one province only, which submitted projects in excess of the allocation of the grant, 20 projects had to be rejected or reduced.

2. No hospital construction project was refused or reduced in amount during the year 1960-61.

*HAWKER SIDDELEY LTD., N.S.—FEDERAL ASSISTANCE FOR STEEL OPERATIONS

Question No. 19—**Mr. MacInnis:**

1. Has the government of the province of Nova Scotia asked the federal government of Canada for financial assistance aimed at maintaining and, or, expanding the steel operations of Hawker Siddeley of Canada Limited, located in Sydney, N.S., and, if so, what is the amount of the assistance requested?

2. Has Hawker Siddeley of Canada Limited approached the federal government requesting financial assistance with a view to expanding their steel operations in Canada?

Mr. Diefenbaker:

1. A request for assistance was made during discussions of the economic situation in Cape Breton but a specific amount was not proposed. I might say that negotiations have been carried on for some time between Dosco and the government of Nova Scotia, and the federal government has been kept informed. The government of Nova Scotia has indicated that if agreement is arrived at whereby financial assistance will be needed, it will then make requisite representations to the federal government.

2. No.

CHAMPLAIN COUNTY, QUE.—FARM LOAN APPLICATIONS

Question No. 22—**Mr. Matte:**

1. How many applications for farm loans have been made in the county of Champlain since January 1, 1960?

2. What are the names of each of the persons to whom loans were made, and what is the amount of each such loan?

3. What are the names of those whose application for a loan was turned down?

Answer by: **Mr. Hamilton:**

1. 11.

2. Because of the confidential nature of the Farm Credit Corporation's business dealings with individual farmers, it is not considered in the public interest to divulge the names of applicants and borrowers. However, six loans have been approved in the following amounts: $26,800; $25,500; $20,000; $8,700; $8,400; and $8,300. Two more applications were being processed as of October 1, 1962.

3. Three loan applications were declined in the period January 1, 1960 to October 1, 1962. With regard to the names of the applicants, see 2 above.

JOYCEVILLE PENITENTIARY—ESCAPES

Question No. 23—**Mr. Matheson:**

1. When, why, and at what cost was a fence erected around Joyceville institution?

2. How many escapes have occurred since the fence was erected?

3. How many escapes occurred in a similar period prior to the erection of the fence?

Answer by: **Mr. Bell (Saint John-Albert):**

1. Completed on February 19, 1962, to improve the security of the institution at a cost of $36,357.78.

2. Six. February 19, 1962 to September 1, 1962 (6½ months).

3. Twelve. August 1, 1961 to February 19, 1962 (6½ months).

PENITENTIARIES—COST PER INMATE

Question No. 24—**Mr. Matheson:**

What were the costs to the public during each of the years 1957 to 1961 inclusive, of maintaining one inmate in each of the following institutions: Dorchester, New Brunswick; St. Vincent de Paul, Quebec; Kingston, Ontario; Stony Mountain, Manitoba?

Answer by: **Mr. Bell (Saint John-Albert):**

	Kingston	St. Vincent de Paul	Dorchester	Manitoba
1956-57	$1,664.82	$1,826.54	$2,043.06	$2,190.02
1957-58	1,872.69	1,953.05	2,085.29	2,362.27
1958-59	1,858.88	1,838.78	1,855.00	2,260.28
1959-60	1,817.66	1,840.29	2,071.82	2,473.06
1960-61	2,282.21	2,246.83	2,526.12	2,845.18
1961-62	2,457.34	2,517.12	2,888.03	2,867.88

*GREY CUP TELEVISION COVERAGE

Question No. 26—**Mr. Fisher:**

1. What steps has the government taken (as distinct from any action by the board of broadcast governors and/or the Canadian Broadcasting Corporation) to ensure that Canadians served by television stations other than the C.T.V. organization or its affiliates shall see (a) the Grey cup (b) Canadian professional football?

2. What officer of the government, if any, has given advice to (a) the C.B.C. (b) the B.B.G., on interpretations of the powers of the B.B.G. with respect to its role in directing the coverage of the Grey cup?

Mr. Halpenny:

1. I am informed by the C.B.C. that discussions are continuing with C.T.V. and others with respect to the television coverage of (a) the Grey cup and (b) Canadian professional football.

The manner in which programs are selected by the C.B.C. is the sole responsibility of the corporation, and the government cannot and will not interfere.

2. (a) I am informed by the C.B.C. that it has received an opinion on a B.B.G. regulatory proposal with respect to the Grey cup, from the Department of Justice.

(b) The board of broadcast governors has not been given advice by any officer of the government on interpretations of the powers of the B.B.G. with respect to its role in directing the coverage of the Grey cup.

*NAVAL CONSTRUCTION PROGRAM

Question No. 28—**Mr. Morris:**

1. Have any changes been made in the naval construction and procurement program announced by the Minister of National Defence in the House of Commons on April 11, 1962, and, if so, what are the changes?

2. Have the Canadian shipyards which will build general purpose frigates been chosen and (a) if so, what are the yards, and in what order and (b) if not, has the lead yard been chosen and, if so, what is the lead yard?

Mr. Harkness: The answer to the first question is no. However, due to a delay in the completion of detailed designed drawings, it is anticipated that the first of the eight general purpose frigates will not be laid down until 1964.

2. (a) No; (b) No.

EAST RIVER SHEET HARBOUR, N.S.—VESSELS LOADED

Question No. 29—**Mr. Morris:**

How many ocean-going vessels were loaded at the public wharf at East River Sheet Harbour, Nova Scotia, in 1955, 1956, 1957, 1958, 1959, 1960, 1961, and 1962 to date?

Answer by: **Mr. Nesbitt:**

Total number of ocean going vessels loaded at Sheet Harbour:

Year	Number of ocean going vessels loaded
1955	11
1956	15
1957	8
1958	11
1959	13
1960	9
1961	12
1962 (Jan.-July)	14

Shipping tabulations cover total port activity. No further breakdown available.

PSYCHOLOGICAL THERAPY IN PENITENTIARIES

Question No. 30—**Mr. Matheson:**

1. Is psychological therapy, apart from testing, now being conducted in Canadian penitentiaries and, if so, in what institutions?

2. How many psychology trained personnel equipped to conduct therapy were in the employ of our penitentiaries in 1959, 1960, 1961, and at the present date?

Answer by: **Mr. Bell (Saint John-Albert):**

1. Yes, but limited by the trained staff available. In Kingston, St. Vincent de Paul, Dorchester, British Columbia, Manitoba, Saskatchewan, Collin's Bay penitentiaries and in the Leclerc and Joyceville institutions and in the federal training centre.

2.

	Psychiatrists		Psychologists	
	No. of Positions	No. Employed	No. of Positions	No. Employed
Mar. 31/59	6	6	9	9
Mar. 31/60	8	7	11	11
Mar. 31/61	8	7	14	11
Oct. 1/62	8	6	19	10

HOUSING LOANS TO INDIANS

Question No. 32—**Mr. Howard:**

How much of vote number 480 of the estimates of expenditure for the year ended March 31, 1962, by Indian agencies, has been loaned, and how many of these loans were (a) less than $1,000 (b) between $1,000 and $2,000 (c) between $2,000 and $3,000 (d) between $3,000 and $4,000 (e) between $5,000 and $6,000 (f) between $6,000 and $7,000 (g) between $7,000 and $8,000 (h) between $8,000 and $9,000 (i) between $9,000 and $10,000 (j) over $10,000?

Answer by: **Mr. McGee:**

The answer to the first part of this question is nil, and the remaining parts are therefore not applicable.

Questions

It was the intention when vote 480 was established in 1961/62 to introduce a housing loan program on Indian reserves. The loans were to be secured by a conveyance of lands to the minister under section 18(2) of the Indian Act, this conveyance to be terminated upon satisfactory completion of the loan agreement.

It was later decided to defer the program until an appropriate section of the Indian Act could be introduced, designed specifically to meet the requirements of a comprehensive housing loan program on reserves. A primary consideration in the decision was the desire to provide Indians a full opportunity to examine, question and make suggestions respecting this amendment, which involves the major issue of land tenure, at the same time as other amendments are being considered.

R.C.A.F. STATION, ST. JEAN—BILINGUAL OFFICERS

Question No. 33—**Mr. Dupuis:**

1. Is the commanding officer of the R.C.A.F. station at St. Jean bilingual (English and French)?
2. How many officers are attached to the said station?
3. How many officers stationed at St. Jean are proficient in both languages?

Answer by: **Mr. Sevigny:**

1. No.
2. 56.
3. 20.

ST. JEAN-IBERVILLE-NAPIERVILLE—POSTMASTERS AND MAIL CONTRACTS

Question No. 34—**Mr. Dupuis:**

1. Have the postmasters in the electoral district of St. Jean-Iberville-Napierville been changed since January 1, 1958; and, if so, (a) at what places, and (b) what are the names of the new postmasters?
2. Since January 1962, have tenders been called for the conveyance of mail within the limits of the federal electoral district of St. Jean-Iberville-Napierville; and, if so, (a) at what places in each case, and (b) to whom were contracts awarded in each case?

Answer by: **Mrs. Fairclough:**

1. Yes.

(a) Napierville, St. Alexandre d'Iberville, St. Jacques le Mineur, St. Jean Sub. No. 2, St. Jean Sub. No. 3, St. Michel de Napierville, St. Sebastien, Sabrevois, Sherrington.

(b) Mlle Micheline Pépin, Mme Blanche Vigeant, Mme Cécile Bisaillon, M. Charles Lemieux, M. Maurice Thibodeau, Mme Flore Lemieux, Mme Antonine Paquette, Mme Florentine Tougas, M. Joseph Sylva Yvon Guérin.

2. Yes.

(a) Henryville R.R. No. 2, Napierville R.R. No. 1, St. Édouard de Napierville R.R. No. 2, St. Rémi RR. No. 1, Sabrevois R.R. No. 1.

[Mr. McGee.]

(b) M. Raoul Dupuis, M. Raynald Lussier, M. Séverin Lamarre, M. Georges A. Boyer, No decision yet—tenders being reviewed.

IMPORTS OF SEWING MACHINES

Question No. 35—**Mr. Dupuis:**

How many domestic sewing machines were imported to Canada during the year 1961; from what countries, and under what trade name?

Answer by: **Mr. Nesbitt:**

Domestic sewing machines imported to Canada, 1961:

United Kingdom	35,320
France	3,261
Germany, West	2,709
Italy	1,155
Netherlands	4
Portugal	425
Spain	12
Sweden	429
Switzerland	6,017
Czechoslovakia	1,585
India	1,550
Japan	73,428
Brazil	256
United States	30,584
Total	156,735

Trade names are not available.

FITNESS AND AMATEUR SPORT—ADVANCES TO ASSOCIATIONS

Question No. 36—**Mr. Boulanger:**

1. What amounts has the national advisory council on fitness and amateur sport granted to sport and other associations since its establishment?
2. What amount has each association received in each case?

Answer by: **Mr. Monteith:**

1. The national advisory council on fitness and amateur sport recommended to the Minister of National Health and Welfare that the following grants be made to the organizations listed:—

Amateur Athletic Union of Canada		$43,927
(a) Boxing committee	$ 1,000	
(b) Fencing committee	500	
(c) Gymnastics committee	20,000	
(d) Track and field athletics	2,000	
(e) Weightlifting committee	2,250	
(f) Wrestling committee	1,500	
(g) National championships	16,677	
Canadian Amateur Basketball Association		5,000
Canadian Amateur Ski Association		14,785
Canadian Amateur Speed Skating Association		8,500
Canadian Amateur Swimming Association		4,450

Canadian Ass'n. of Amateur Oarsmen	10,000
Canadian Amateur Badminton Ass'n.	1,500
Canadian Canoe Association	3,800
Canadian Civilian Ass'n of Marksmen	15,000
Canadian Field Hockey Ass'n.	1,900
Canadian Ladies' Golf Union	10,000
Canadian Lawn Tennis Association	18,000
Canadian Table Tennis Association	750
Canadian Volleyball Association	1,500
Canadian Wheelmens' Association	5,000
Canadian Wildlife Federation	20,000
Royal Canadian Golf Ass'n	5,000
Rugby Tours Committee of Canada	10,000
Canadian Ski Patrol	9,000
Canadian Youth Hostels Ass'n	10,000
Royal Canadian Legion	50,000
Young Men's Christian Ass'n	6,428
Young Women's Christian Ass'n	21,810
Total	$276,350

2. In every case the organizations listed in 1. received grants in the amounts recommended by the national advisory council on fitness and amateur sport. In addition to these grants recommended by the council the government made the following grants to associations: a grant of $30,000 was made to the British Empire and Commonwealth Games Association of Canada to assist Canadian participation at the games to be held in Perth, Australia; a grant of $10,000 was made to the Canadian Olympic Association to permit the association to conduct a survey designed to assist in deciding on the most suitable site for the 1968 winter Olympics; a grant of $35,000 was made to the Calgary Olympic development association, the local organization making the bid for the 1968 winter Olympic games to be held in Banff, the site selected by the Canadian Olympic Association.

LOAN OF $250 MILLION IN U.S. FUNDS

Question No. 38—**Mr. Gordon:**

1. Did the Canadian government obtain a loan of approximately $250,000,000 in U.S. funds in September, 1962?

2. If so, what were the terms and conditions of this loan?

3. When this loan was being negotiated, was any promise, commitment or understanding given that the 15 per cent withholding tax on interest payable to non-residents would be rescinded or amended?

4. Is it a fact that the negotiations for this loan were begun in late July or early August, and then deferred until September?

5. If so, what was the reason for such deferment?

6. What commissions were paid to brokers or other intermediaries in connection with this loan?

Answer by: **Mr. Grafftey:**

1. On September 13, 1962, negotiations were completed for a government of Canada bond issue in the United States in the amount of U.S. $250 million.

2. The terms and conditions of this loan are contained in the purchase agreement, copies of which are herewith tabled.

3. No.

4. No.

5. Answered above.

6. $1.50 per $1,000.

LOANS AND CREDITS OF $1,050 MILLION

Question No. 39—**Mr. Gordon:**

1. Did any of the officials of the government and/or of the Bank of Canada conduct the negotiations leading to the loans and standby credits of $1,050,000,000 obtained in June of this year from the international monetary fund and other foreign banks and institutions?

2. If so, who were these officials?

3. On what date were these negotiations begun?

4. What were the terms and conditions of these loans and standby credits?

5. Did the international monetary fund or other foreign banks and institutions insist upon the introduction of the austerity program announced by the Prime Minister on June 24 or upon any of the measures contained in such program?

6. If so, will the monetary policy of Canada be controlled directly or indirectly by the international monetary fund and other foreign banks and institutions until these loans and standby credits are extinguished?

7. Were the international monetary fund and other foreign banks and institutions informed in advance of the intention to raise the bank rate to 6 per cent (on June 25)?

Answer by: **Mr. Grafftey:**

1 and 2. The negotiations leading to the drawing of $300 million from the international monetary fund and the standby credit of $400 million from the export-import bank were conducted under instructions from the Minister of Finance by the executive director representing Canada on the I.M.F. and senior officials of the Department of Finance. The negotiations leading to the reciprocal currency arrangement between the Bank of Canada and the federal reserve system, and to the similar arrangement between the Bank of Canada and the Bank of England, were conducted by the Bank of Canada.

3. June 20, 1962.

4. I.M.F. The terms and conditions of the Canadian drawing on the I.M.F. are those applicable to such drawings from the fund. They are set forth in a letter from the Bank of Canada, as fiscal agency for the government, dated June 22, 1962, and related material, copies of which are attached.

Export-import bank. The terms and conditions of the line of credit from the export-import bank are set forth in a formal agreement dated September 12, a copy of which is attached.

Questions

Bank of Canada arrangements. On June 26 the Bank of Canada and the federal reserve bank of New York entered into a reciprocal currency arrangement under which the federal reserve bank of New York paid $250 million U.S. to the account of the Bank of Canada against a payment of approximately $272 million Canadian by the Bank of Canada to the account of the federal reserve bank of New York. Under this arrangement forward cover was provided to both parties. This arrangement was comparable to ones recently made by the federal reserve system with a number of European central banks.

The currency arrangement made between the Bank of Canada and the Bank of England on the same date was for an amount equal to $100 million U.S.

The foregoing arrangements entered into by the Bank of Canada with the other central banks were for an initial period of three months. These arrangements were renewed on September 26.

5. No.

6. Answered by 5.

7. When, on June 24, the international monetary fund approved the Canadian drawing of $300 million it was informed of the announcement regarding bank rate that was made that day by the Bank of Canada.

Excerpt from a decision of the executive board of the international monetary fund made at meeting 52/11 on February 13, 1952.

2. a. In view of the executive board's interpretation of September 26, 1946, concerning the use of the fund's resources, and considering especially the necessity for ensuring the revolving character of the fund's resources, exchange purchased from the fund should not remain outstanding beyond the period reasonably related to the payments problem for which it was purchased from the fund. The period should fall within an outside range of three to five years. Members will be expected not to request the purchase of exchange from the fund in circumstances where the reduction of the fund's holdings of their currencies by an equivalent amount within that time cannot reasonably be envisaged.

b. The fund has recently determined that when the charges on the fund's holdings of a member's currency in any bracket have reached a rate of 3½ per cent per annum, the fund and the member, in accordance with article V, section 8(d) "shall consider means by which the fund's holdings of the currency can be reduced" (EB meeting 717, 11/19/51). In the course of consultations arising from purchases of exchange taking place after December 1, 1951, the fund and the member will agree upon appropriate arrangements to ensure the reduction of the fund's holdings of the member's currency as soon as possible, with the maximum period to be permitted in any such agreed arrangement requiring that within five years of each purchase made by the member there will be an equivalent repurchase of the fund's holdings unless they have otherwise been reduced.

c. With respect to each future purchase which raises the fund's holdings of the member's currency from not less than 75 per cent to not more than 100 per cent of its quota, a member whose currency held by the fund has not been otherwise reduced within three years will be requested by the fund to agree upon an arrangement providing that within five years of each purchase made by the member there will be an equivalent repurchase of the fund's holdings unless they have otherwise been reduced.

d. When unforeseen circumstances beyond the member's control would make unreasonable the application of the principles set forth in paragraph 2 above, the fund will consider extensions of time.

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

For Agenda
EBS/62/72
Confidential

June 22, 1962

To: Members of the executive board

From: The secretary

Subject: Canada—use of the fund's resources

There is attached an advance copy of the text of a letter which the Canadian authorities are expected to deliver to the fund before the meeting which has been scheduled for Sunday, June 24, at 11:00 a.m.

Mr. Per Jacobsson
Managing Director
International Monetary Fund
19th and H streets, N.W.
Washington 25, D.C.

Dear Mr. Jacobsson:

As fiscal agency for the government of Canada, we desire to purchase from the international monetary fund the equivalents of U.S. $100 million in pounds sterling, U.S. $80 million in deutsche mark, U.S. $80 million in new French francs, U.S. $20 million in Belgian francs, and U.S. $20 million in Netherlands guilders, in accordance with the terms of article V, sections 3 and 4 of the fund agreement. Please credit these amounts to the account of Bank of Canada, Ottawa, maintained with Bank of England, London, Deutsche Bundesbank, Frankfurt, Banque de France, Paris, Banque Nationale de Belgique, Brussels, and De Nederlandsche Bank N.V., Amsterdam, respectively.

We do hereby represent that this currency is presently needed for making in said currency payments which are consistent with provisions of the fund agreement.

The equivalent of the amount of desired currency in Canadian dollars, namely, Can. $324,324,000, will be placed to the credit of your number 1 account with Bank of Canada, Ottawa on the value date to be specified by you.

With regard to the charges payable under article V, section 8(a) of the fund agreement, we have instructed federal reserve bank of New York, New York, to earmark for your gold account approximately but not less than 42,857.143 fine ounces of gold.

We further state that this request is made in accordance with the arrangements described in paragraph 2 of the decision of the executive board of the fund at meeting 52/11, February 13, 1952, and that we will comply with the principles set forth in subparagraphs a, b, c and d of paragraph 2 of that decision.

Sincerely yours,

L. Rasminsky,
Governor
Bank of Canada

INTERNATIONAL MONETARY FUND

Executive board Decision No. 1356-(62/28)

Subject: CANADA—USE OF THE FUND'S RESOURCES

1. The government of Canada has submitted a request for the purchase of the equivalent of U.S. $100 million in sterling, $80 million in deutsche mark, $80 million in French francs, $20 million in Netherlands guilders, and $20 million in Belgian francs.

2. The fund agrees to the requested purchase and grants the necessary waiver under article V, section 4, of the articles of Agreement on the repurchase terms set forth in the request.

The foregoing is the text of a decision of the executive board taken at meeting 62/28, June 24, 1962.

Roman L. Horne,
Secretary

Agreement between government of Canada and Export-Import Bank of Washington

AGREEMENT

This agreement made and entered into as of the 12th day of September, 1962 by and between the government of Canada (hereinafter referred to as "Canada") and export-import bank of Washington (hereinafter called "Eximbank"), an agency of the United States of America;

Witnesseth:

Whereas, Canada has applied to Eximbank for a line of credit to assist Canada in maintaining the flow of United States imports; and

Whereas, the granting of such credit will facilitate exports and imports and the exchange of commodities between the United States and Canada;

Now, therefore, the parties hereto agree as follows:

ARTICLE I

Line of Credit

Eximbank hereby establishes in favour of Canada a line of credit of four hundred million dollars ($400,000,000) against which Eximbank, acting independently or through the agency of one or more United States commercial banks, will make disbursements, subject to the terms and conditions hereinafter stated, to assist Canada in maintaining the flow of United States imports; it being expressly understood that Canada shall be under no obligation to borrow any specified amount under the line of credit and that disbursements under the line of credit as hereinafter provided shall constitute the borrowings by Canada thereunder.

ARTICLE II

Availability of the Credit

Two hundred fifty million dollars ($250,000,000) of the line of credit shall be available for disbursement during the period from June 24, 1962 to September 24, 1962 inclusive. One hundred fifty million dollars ($150,000,000) of the line of credit shall be available for disbursement over the period from June 24, 1962 to June 24, 1963 inclusive.

ARTICLE III

Terms of Repayment and Promissory Notes

Each disbursement under the line of credit shall be evidenced by the negotiable general obligation of Canada in the form of a promissory note. Each such note shall be printed in the English language and shall be substantially in the form of Exhibit A attached hereto and made a part hereof. Each note shall be dated as of the date of issuance, shall be payable to the order of Eximbank at such place as Eximbank shall designate and shall be payable both as to principal and interest in lawful money of the United States of America.

The principal amount of each note shall be payable one (1) year from the date thereof. Each note shall bear interest at the rate of four per cent (4%) per annum on outstanding balances, payable semiannually. Interest shall be computed on the basis of actual number of days using a 365-day factor.

Canada shall have the right to prepay, without premium or penalty, at any time or times, all or any part of the principal of a note issued pursuant hereto. Any such prepayment shall be accompanied by interest on the amount of the prepayment accrued to the date of such prepayment.

ARTICLE IV

Disbursements Under the Credit

Subject to the provisions of article VI and IX, disbursements under the line of credit will be made from time to time upon the written request of Canada accompanied by the following:

A. A promissory note of Canada conforming to the provisions of article III hereof;

B. Such additional documents and information pertinent to the line of credit as Eximbank may reasonably request.

ARTICLE V

Commitment Fee

Canada shall pay to Eximbank a commitment fee computed at the rate of one quarter of one per cent (¼ of 1%) per annum from June 24, 1962 on the amount of the line of credit as from time to time shall be undisbursed and uncancelled or unexpired. Such commitment fee shall be payable in United States dollars quarterly in advance, the first payment of which shall be due upon execution of this agreement. It is understood and agreed that Canada shall have the right at any time to request cancellation of all or any part of the undisbursed amount of the credit and thereby terminate the commitment fee with respect to any portion of the credit so cancelled and receive a proportionate rebate of the fee theretofor paid.

ARTICLE VI

Use of Other Assistance

As a condition precedent to the first disbursement hereunder, Canada shall certify to Eximbank that it has fully utilized the assistance being made available at this time by the international monetary fund and the United States federal reserve banks in connection with Canada's stabilization program.

ARTICLE VII

Tax Exemption of Notes

Canada hereby expressly agrees that the promissory notes issued to evidence disbursements under the line of credit, as well as the proceeds and the income of such notes, shall be exempt from taxation or any other charges for any purposes under its laws or any of its political or taxing authorities as long as such notes are held by Eximbank, the government of a sovereign state or a central bank.

ARTICLE VIII

Information to be Furnished

A. Within a reasonable time after each disbursement made under the line of credit, Canada will submit an itemized statement of expenditures, at least equal to the amount of the immediately preceding disbursement, for imports from the United States purchased after June 24, 1962. The itemized

statement provided for herein shall indicate the general category of the imports; it being understood that, at any time upon the request of Eximbank, Canada shall furnish such additional identifying data with respect to the imports as Eximbank may request.

B. As long as any of the notes issued under the line of credit shall be outstanding, Canada, at any time and from time to time at the request of Eximbank but not more often than once in any six (6) months' period, will provide Eximbank with such information in relation to Canada's present and prospective balance of payments position and such related aspects of the economy of Canada as Eximbank may reasonably request; it being understood that all such information, if not of public record in Canada, shall be provided in confidence and for the information of Eximbank only.

ARTICLE IX

Legal Opinions and Authorizations

As a condition precedent to the first disbursement under the line of credit, Eximbank shall be furnished the following:

A. An opinion of the Minister of Justice of Canada, or his deputy, accompanied by necessary documentation, demonstrating to the satisfaction of the general counsel of Eximbank or counsel designated by him, that this agreement as signed on behalf of Canada is legally binding upon Canada in accordance with its terms and that the promissory notes, when and as issued to evidence disbursements under the line of credit, will constitute the valid and binding obligations of Canada in accordance with their terms.

B. Evidence of the authority of the person or persons who will sign this agreement on behalf of Canada, who will sign the promissory notes and who will act as the representative or representatives of Canada in connection with the operation of the line of credit, together with the authenticated specimen signature, in duplicate, of each such person.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed in duplicate as of the date first mentioned above.

GOVERNMENT OF CANADA

By George Nowlan
Minister of Finance

EXPORT-IMPORT BANK OF WASHINGTON

By Harold F. Linder,
President and Chairman

Attest:

K. W. Taylor
Deputy Minister of Finance
Edward S. Conger
Acting Secretary

EXHIBIT A

GOVERNMENT OF CANADA

Promissory Note

N. ————

U.S. $———— (Date)————

The government of Canada acknowledges its indebtedness and for value received hereby promises to pay to the order of Export-Import Bank of Washington on or before ———— the principal sum of ———— dollars (U.S. $————) and to pay interest from the date hereof on the ———— days of ———— and ———— of each year at the rate of four per cent (4%) per annum on the unpaid principal balance of this note from time to time outstanding.

Both the principal of and interest on this note are payable in lawful money of the United States of America at ————. Each such payment shall be made without deduction for, or on account of, any present or future taxes, duties or other charges imposed or levied against this note, the proceeds, income or holder hereof by or within Canada or any political or taxing authority thereof as long as this note is held by Export-Import Bank of Washington, the government of a sovereign state or a central bank.

Upon default in the prompt and full payment of principal of or interest on this or any other note issued and outstanding pursuant to that certain agreement dated as of ————, 1962, between the government of Canada and Export-Import Bank of Washington, the entire unpaid principle of this note and interest thereon to the date of payment shall immediately become due and be payable at the option and upon demand of the holder hereof. The non-exercise by the holder hereof of any of its rights hereunder in any particular instance shall not constitute a waiver thereof in that or any subsequent instance.

GOVERNMENT OF CANADA

By ————

By ————

TELEVISION—DEFERMENT OF ESTABLISHMENT OF STATIONS

Question No. 40—**Mr. Benidickson:**

1. What is the estimated amount of capital funds involved in the decision to defer establishment of television stations at Fort Frances, Atikokan, and Red Lake as outlined in a press release of the C.B.C. on May 18, 1962?

2. Is the said deferment decision attributable to the austerity program of the government announced shortly after June 18th last?

Answer by: **Mr. Halpenny:**

1. The total estimated capital funds involved is approximately $600,000.

2. Yes.

WRINKLE REMOVING PREPARATION

Question No. 41—**Mr. Fisher:**

1. Have officials or scientists of the federal government examined a preparation presently merchandised in Canada called 2nd Debut and claiming that "Mother may now lift her face out of lines and wrinkles at home" through an ingredient called CEF 600, discovered at Wiesbaden, Germany?

2. If so, have they any indications that this discovery is either harmful or able to do what it claims?

3. If government scientists have a chemical analysis of this discovery, what are the ingredients?

Answer by: **Mr. Monteith:**

1. The cosmetic preparation 2nd Debut has been examined by officials of the food and drug directorate of the Department of National Health and Welfare and no objection has been taken to the claim "Mother may lift her face out of lines and wrinkles" since this statement is considered as a form of puffery often associated with the advertising of cosmetics.

2. Data and information on the safety of use have been filed with the food and drug

directorate of the department and no evidence is available that it is harmful when used according to directions. Evidence has been submitted to show that the preparation is effective in restoring moisture to the skin and in this respect it may be capable of doing what it claims.

3. It is not a requirement of the regulations under the Food and Drugs Act that a manufacturer declare a list of ingredients on the label of a cosmetic. However, the ingredients have been revealed to the food and drug directorate by the manufacturers in confidence.

RENOVATION OF TRENT CANAL

Question No. 42—**Mr. Fisher:**

1. Has the government announced in the past two years that it planned to renovate the Trent canal?
2. If so, when, and briefly, what was the announced scope of the renovations and any alterations in locks?
3. Was there any money in the estimates for 1962-63, and 1963-64 for such purposes? If so, how much?
4. What effect has the so-called "austerity program" had on Trent canal program?
5. Has the government satisfied itself that the planned renovations cannot lead to the introduction of the lamprey eel menace into the interior waters of central Ontario?

Answer by: **Mr. Martineau:**

1. Yes, on January 3, 1962.

2. The program was to cover a 10 year period and involve new locks and modernization of the Trent system. Major items are the construction of new locks to replace the marine railways at Swift Rapids and Big Chute, replacement of the locks at Fenelon Falls by a single lock now under construction, and major lock reconstruction at Peterborough, Burleigh Falls, Lovesick, Buckhorn and Kirkfield.

3. Yes, for 1962-63; the amount can be made available when the revised estimates are tabled. No figures are available at this time for the 1963-64 estimates.

4. The rate of progress projected for the first year or two of this program may be slightly below that originally intended as a result of design and planning delays not uncommon in the early phase of a major program such as this.

5. The Department of Fisheries advises that it cannot be categorically stated that substitution of locks for marine railways at the lake Huron end of the Trent valley canal will not permit lamprey eels freer access to the interior lakes. There is reasonable assurance, however, that chances of this circumstance occurring are almost negligible.

NORTHWESTERN ONTARIO COMMISSION EMPLOYMENT RECOMMENDATIONS

Question No. 43—**Mr. Fisher:**

1. Did the Minister of Labour receive a report from the northwestern Ontario commission on employment?
2. If so, when?
3. Since receiving such a report what response or encouragement has the minister given to the commission or any other persons at the lakehead with regard to the recommendations of the committee?

Answer by: **Mr. Hales:**

1. Two copies of the report of the northwestern Ontario commission on employment were received by the Department of Labour and the report was brought to the attention of the Minister of Labour.

2. Copies of the report were received on January 26, 1962.

3. Only a few of the recommendations of the northwestern Ontario commission on employment fall within the jurisdiction of the federal government and these have either been implemented already or can be implemented provided the lakehead communities concerned avail themselves of the provisions of existing federal programs and legislation, such as the municipal winter works incentive program, the Agricultural Rehabilitation and Development Act, the Technical and Vocational Training Assistance Act of 1960 and the statistical and research resources of a variety of federal agencies.

The commission recommended the establishment of a regional advisory council to continue to be responsible for the implementation of the commission's recommendations. When this council is established, the Minister of Labour and other federal agencies will be glad to provide all possible assistance to it.

LAKEHEAD AIRPORT—EFFECT OF AUSTERITY PROGRAM

Question No. 44—**Mr. Fisher:**

In brief form, what effect will the austerity program have upon any developments or operations at the lakehead airport in the next 18 months?

Answer by: **Mr. McBain:**

The proposed development and operation of the lakehead airport is expected to proceed as planned.

SHIPBUILDING UNDER SUBSIDY PROGRAM

Question No. 45—**Mr. Fisher:**

1. How many vessels, to what total value of construction, have been approved by or are presently awaiting approval by the Canadian Maritime Commission, under the recent subsidy program?
2. How many of such vessels, to what total value, are being built or have been recommended for building, by any subsidiary of Canada Steamship Lines?

Questions

3. What vessels, if any, to what value, have been assigned by Canada Steamship Lines or any of its subsidiaries to Port Arthur Shipbuilding Company, under this subsidy program?

Answer by: **Mr. McBain:**

1. 165 projects totalling approximately $115,000,000.

2. 16 vessels, approximate value $33,000,000.

3. None. Two contracts from Canada Steamship Lines have been placed, one with Davie Shipbuilding Limited and one with Collingwood Shipyards, for large upper lakers which could not be built at Port Arthur. Contracts for 14 other vessels were secured directly from the owners by the yards themselves.

JACQUES CARTIER BRIDGE—REMOVAL OF TOLLS

Question No. 46—**Mr. Fisher:**

1. Did the government have its officials make an assessment, before it abolished tolls on the Jacques Cartier bridge, of the length of time it would have taken to pay off the debt on this bridge, given the higher level of income found after the disclosures of 1959 and 1960?

2. If so, what was the length of time?

3. Did the government make an estimate of the losses it sustained since the bridge's opening through failure to collect all the tolls?

4. If so, what was the estimate?

5. Has the government given any consideration, under the austerity program, to reintroducing tolls on the Jacques Cartier in order to pay off the debt of the bridge?

6. What steps has the government taken to recover the debts owed to it by the city of Montreal and the Quebec government re the Jacques Cartier bridge?

7. How is the debt of the Jacques Cartier bridge being met or retired at the present time?

Answer by: **Mr. McBain:**

The national harbours board advises:

1. No. An assessment of the period required to liquidate the bridge debt through tolls would depend upon unknown future traffic patterns pertaining to all Montreal harbour bridges.

2. Answered by No. 1.

3. No.

4. Answered by No. 3.

5. No.

6. The city of Montreal paid its share of the deficit debt in 1953 and arrangements are being concluded with the province of Quebec for the liquidation of the share of the deficit debt owed by the province.

7. Pending the conclusion of arrangements with the province of Quebec the debt of the Jacques Cartier bridge is not being met or retired at the present time.

C.N.R. LINE, MATANE-STE. ANNE DES MONTS

Question No. 47—**Mr. Fisher:**

1. Was the government or the C.N.R. to put up the funds for the Gaspe railway line between Matane and Ste. Anne des Monts?

2. In either case, what effect has the austerity program upon this railway's construction schedule?

[Mr. Fisher.]

Answer by: **Mr. McBain:**

1. The funds for construction of the railway line were to be provided by the government.

2. Decision regarding the commencement of construction is dependent upon the completion of a detailed survey by the C.N.R. This survey was initiated some months ago but the report thereon has not yet been received. It is understood from the C.N.R., however, that it should come in before the beginning of the next construction season.

FORT HOPE, ONT. INDIANS—COMPLAINTS RE TREATMENT

Question No. 48—**Mr. Fisher:**

1. Has the Indian affairs branch received any compaints in 1962 from the Indians at Fort Hope (in northern Ontario) regarding their treatment by the branch or its agents?

2. If so, what were the complaints, whom do they come from, and what steps were taken to examine them and deal with them?

Answer by: **Mr. McGee:**

1. No official complaints have been received by the Indian affairs branch. However, an officer of the branch who attended the meeting of the union of Ontario Indians held at West Bay on August 1, 2 and 3, 1962, reported that Chief Waswa of the Fort Hope band presented to the meeting a petition for the removal of local Indian superintendent signed by a number of band members.

2. Chief Waswa was informed by the Indian affairs branch representative to submit either the petition or a copy of the minutes of the meeting so that the matter could be investigated. To date, nothing has been received from either the Fort Hope Indians or the union of Ontario Indians.

BUILDING PROGRAM, FORT WILLIAM-PORT ARTHUR

Question No. 49—**Mr. Fisher:**

1. What is the situation of the building program of the federal government in either Fort William or Port Arthur, in consequence of the austerity program?

2. What part of this program will be carried out at Port Arthur?

Answer by: **Mr. McCleave:**

This information will be available when the revised estimates for 1962-63 are tabled in the house.

SAN JUAN BAY, B.C., BREAKWATER

Question No. 50—**Mr. Prittie:**

1. Since April 1, 1962, has any action been taken to establish a breakwater in San Juan bay on Vancouver island and, if so, what are the details in respect to such action?

2. What is the cost of the project and when is it expected that construction will start?

Answer by: **Mr. McCleave:**

1. Consideration has been given to carrying out a model study but this has been held in abeyance for the present in view of the reaction of companies approached which in general has been that they are unable to undertake such a study due to lack of facilities for model study in Vancouver.

2. While it is not possible to give an accurate estimate without further study, the cost of the project would probably be in the $3 million to $7 million range.

*REDUCTION IN TRAIN SERVICE, PORT ARTHUR-WINNIPEG

Question No. 52—**Mr. Benidickson:**

1. From what municipalities, labour organizations and chambers of commerce has the Minister of Transport received representations protesting the reduction by 50 per cent in C.N.R. passenger trains 33 and 34 running between Port Arthur and Winnipeg?

2. What action has the minister taken with respect to such protests?

Mr. McBain:

1. Town council of Rainy River, local 339, international brotherhood of electrical workers, Port Arthur, local 32 Canadian brotherhood of railway transport and general workers, Fort William.

2. The representations were referred to the board of transport commissioners, who have the matter under investigation.

*NATIONAL DEFENCE HEADQUARTERS TELEPHONES

Question No. 53—**Mr. Hellyer:**

1. Was a directive circulated at national defence headquarters to the effect that new telephones must be authorized by treasury board?

2. If so, why?

3. What was the date of the directive?

Mr. Harkness:

1. No.

Therefore 2 and 3 are not applicable.

NORAD—INVITATION TO EXTERNAL AFFAIRS MINISTER

Question No. 54—**Mr. Matheson:**

1. Has the Secretary of State for External Affairs received an invitation, or invitations, from the North American Air Defence Command or from the State Department of the United States of America to visit the headquarters of NORAD and thereby acquaint himself directly with the provisions prevailing for the joint Canada-U.S.A. defence?

2. If so, on what date or dates have invitations been received?

3. Has this invitation been accepted and, if not, does the Secretary of State for External Affairs intend to take advantage of this invitation?

Answer by: **Mr. Green:**

1. No.
2. Answered by 1.
3. Answered by 1.

*LOAN OF $1 BILLION—REQUIREMENTS

Question No. 55—**Mr. Lewis:**

1. Did the international monetary fund, the export-import bank, the federal reserve bank and the Bank of England require that the government of Canada pursue particular monetary and budgetary policies at the time these institutions agreed to guarantee or lend to Canada $1,000,000,000 to support or replenish Canada's exchange reserves?

2. If so, what policies did they require the government of Canada to pursue and, particularly, were higher interest rates, a cut-back in government expenditures and a balanced budget, or any one of these, among such required policies?

Mr. Grafftey:

1. No.
2. Answered by 1.

BEAUCEVILLE, QUE. POST OFFICE

Question No. 56—**Mr. Dupuis:**

1. Are plans and specifications of the Beauceville post office ready?

2. If so, when is the construction schedule to begin?

Answer by: **Mr. McCleave:**

1. Yes.

2. Commencement of construction will depend on approval of funds by parliament.

COMPLAINTS RESPECTING CENSUS RESULTS

Question No. 59—**Mr. Howard:**

1. Since the completion of the decennial census for 1961, has any municipality or province raised any objection or complaint to the effect that the census for the municipality or province was incomplete, incorrect, or insufficient; and, if so, what are the details of each such complaint?

2. As a result of these complaints, what action was taken in each case; and if such action, in part, was to arrange for additions to the original population figures, what differences resulted in each case?

3. Was each such subsequent action, as referred to in part 2 hereof, satisfactory to the complaining party?

4. As a result of any such subsequent action or from experiences derived from the taking of the census, is any action planned to ensure that a more accurate population count of municipalities will be made in future census-taking?

Answer by: **Mr. Nesbitt:**

1. Since the final population counts resulting from the 1961 census of Canada were completed and released no complaints have been received by the dominion bureau of statistics.

2. See 1 above.

3. See 1 above.

4. See 1 above.

CHINESE RESIDENTS VOLUNTEERING INFORMATION

Question No. 60—**Mr. Howard:**

1. Since June 9, 1960, has any person of Chinese origin volunteered any information regarding himself and his method of entry to Canada, or the method of entry of any of his relatives, where such entry might have been made in such a way as to have it classed as illegal entry, and, if so, how many such people?

Questions

2. How many of the people referred to in part 1 were advised that "it is not the intention in connection with the current investigation to prosecute or deport from the country any Chinese presently in Canada, who have not themselves engaged in assisting other Chinese apart from their own relatives, to enter Canada illegally"?

3. Have any of the people referred to in part 1 been deported, and, if so, how many?

Answer by: **Mr. Bell (Carleton):**

1. Since June 9, 1960, and until August 31, 1962, 1,314 persons of Chinese origin have admitted to immigration officers and officers of the R.C.M.P. irregularities connected with their own admission to Canada or with the admission of other persons in whom they were interested. 910 of these have made formal voluntary statements regarding themselves and their method of entry to Canada, or the method of entry of relatives, where such entry might be classed as illegal entry. The majority of such voluntary statements were given following disclosure to the persons concerned that the irregularities connected with their entry or that of their relatives were already known to the immigration authorities.

2. All of the individuals offering to give voluntary statements have been so advised. It is ensured that all persons volunteering statements as described in 1 are familiar with the statement made by the former minister of citizenship and immigration in the House of Commons on June 9, 1960. Where such persons disclaim knowledge of the minister's statement it is read to them and explained, if necessary, by an interpreter before the voluntary statement is accepted.

3. No person has been deported following the making of a voluntary statement under the conditions set out in 1 and 2. One individual, who had deliberately entered into a bigamous marriage for the purpose of effecting entry to Canada, was ordered deported and, following the issue of the deportation order, purported to make a voluntary statement to the police, concerning the facts of his illegal entry to Canada. This person had, during the special inquiry held to determine his right to remain in Canada, denied under oath the facts brought forward in evidence concerning the means employed to effect his illegal entry. He did not reveal to the police, at the time he offered to make a voluntary statement, that he had already been ordered deported.

*ORDERS IN COUNCIL IMPOSING EXCHANGE RESTRICTIONS

Question No. 64—**Mr. McIlraith:**

1. How many orders in council were passed in 1947 imposing exchange restrictions?

2. Under what statutory authority were such orders in council passed?

Mr. Diefenbaker:

1. Eleven.

[Mr. Howard.]

2. They purported to be under the Foreign Exchange Control Act.

C.N.R. FREIGHT SERVICE, MONCTON-BUCTOUCHE, N.B.—PROTESTS

Question No. 65—**Mr. Crossman:**

Has the Minister of Transport received any representations protesting the discontinuance of C.N.R. rail freight service on the Moncton-Buctouche subdivision, and, if so, what action has been taken?

Answer by: **Mr. McBain:**

No, but the board of transport commissioners has an application from the Canadian National Railways for authority to abandon that portion of the Buctouche subdivision from Buctouche Junction, mileage 0.25, to Buctouche, mileage 29.95, a distance of 29.70 miles. This application is at present under investigation by the board and municipal authorities have been advised, and every opportunity will be given to interested parties to present their views.

CANADIAN PARTICIPATION IN NATO EXERCISE "FALLTRAP"

Question No. 66—**Mr. Matheson:**

Did components of the Canadian armed forces participate in the recent NATO exercise in northern Greece "Exercise Falltrap" and, if so, what units participated?

Answer by: **Mr. Harkness:**

No.

MONEY SUPPLY AND EXCHANGE RESERVES

Question No. 67—**Mr. Matheson:**

1. What was the increase in Canadian money supply between March 28, 1962, and June 13, 1962?

2. What was the loss of Canadian exchange reserves during this period?

3. What was the decrease in Canadian money supply between June 13, 1962, and August 22, 1962?

4. What was the increase in foreign exchange reserve funds during this period?

Answer by: **Mr. Grafftey:**

1. Total currency and chartered bank deposits on March 28, 1962, were at $15,046 million. On June 13, 1962, they were $15,571 million. The increase during that period was $525 million.

2. At the end of March 1962, official reserves were at U.S. $1,709.4 million. On June 22 they were in the vicinity of $1,100 million. The decrease during that period was approximately U.S. $600 million.

3. Total currency and chartered bank deposits on June 13, 1962, were $15,571 million. On August 22, 1962, they were $14,995 million. The decrease during this period was U.S. $576 million.

4. On June 22, 1962, official reserves were in the vicinity of U.S. $1,100 million. At the

end of August they were at U.S. $2,330.6 million. The increase during that period was approximately U.S. $1,200 million.

*INVERNESS, N.S., HARBOUR IMPROVEMENTS

Question No. 68—**Mr. MacEachen:**

Is it the intention of the Department of Public Works to proceed in 1962 with harbour improvements at Inverness, Nova Scotia?

Mr. McCleave: This information will be available when the revised estimates are tabled in the house.

*TRURO-SYDNEY, N.S., RAILWAY MAIL SERVICE

Question No. 70—**Mr. MacEachen:**

1. Has a decision been taken by the Post Office Department that mails will no longer be carried on trains 604 and 603 between Truro and Sydney? What is the reason for this change?
2. Has any investigation been made to determine the effect of this change on (a) the railway clerks, and (b) the convenience of the public?
3. If so, what are the results of such investigation?

Mrs. Fairclough:

1. Yes. The Canadian National Railways have advised that trains 603-604 will operate on schedule which will preclude the possibility of meeting the requirements of the Post Office Department.

2. Yes. (a) The nine railway mail clerks affected will be assigned to duty in post offices at their present salary. (b) Arrangements are now being made for the establishment of highway services which will provide the public with equivalent service.

3. Answered by 2.

*FEDERAL APPROVAL OF LIFE JACKETS

Question No. 72—**Mr. Haidasz:**

1. Has the Department of Transport received any report of the ruling of a coroner's jury, held in Toronto last summer and presided over by coroner Dr. Morton Shulman, that the federal Department of Transport approves life jackets which are not safe?
2. What steps has the minister taken to remove from the market unsafe life jackets formerly approved by the department?
3. What action has the department taken to design a life jacket completely safe for all phases of boating activities?

Mr. McBain: The answers to parts 1, 2 and 3 are as follows: The report referred to has been received but it does not state that the Department of Transport approves life jackets which are not safe although it comments on buoyancy requirements; nor is it the case that there are on the market unsafe life jackets formerly approved by the department.

The primary purpose of a life jacket is to provide buoyancy for the human body and to support the wearer in a safe position when conscious and completely relaxed. It will not automatically turn the wearer on to his back in the water or prevent the head of an unconscious person from falling forward and being subject to the action of waves continually splashing on the face, which may result in drowning.

Specifications for Department of Transport life jackets are developed by a committee of the Canadian government specification board. This committee comprises representation from the national research council, the Canadian Red Cross, yachting associations, Y.M.C.A., Boy Scouts Association, harbour police, provincial police, the boating industry, life jacket manufacturers and many others. Life jackets, before receiving approval, undergo exhaustive tests to ensure that they will perform in accordance with specification requirements.

This committee has constantly sought to improve the standards and specifications which are applied but has at no time adopted a standard or specification which is unsafe.

CANADIAN BROADCASTING CORPORATION—COST AND CONTROL

Question No. 73—**Mr. Caouette:**

1. What were the revenues of the Canadian Broadcasting Corporation in 1961-62?
2. What has been the cost to the country of the C.B.C. for 1961-62?
3. What is being done by the corporation to remove the socialists and the like-minded persons from the control of the government-owned radio and television service?
4. Who is responsible for the control of the government-owned network?
5. Who is the chairman or governor of the C.B.C.? What is his annual salary?

Mr. Speaker: In regard to this question, on October 4 the hon. member for Port Arthur raised a point as to whether it was properly worded. We need not go into what was said on that date, except to say that the conclusion was reached that I would reserve opinion as to the validity of the assertion of the hon. member for Port Arthur, and what might be done to remove a question, which might be found offensive or improper, from the order paper, because at that time I did not feel it was within the power of the Speaker to order that a question either remain on the order paper or be removed from it.

It would appear that the hon. member for Port Arthur raised his question of order on two points, first that part 3 of the question was an assertion of an alleged fact or of opinion, and second, that the assertion might offend the usages, traditions and proprieties of this house.

A quick glance at the notice paper would indicate that many of the questions therein include assertions of fact, stated either implicitly or explicitly. Standing order No. 39, paragraph 1, clearly provides for the use of

facts in any question. There may be some doubt as to any objections on the grounds of the statement of an alleged fact. However, there then comes the question of opinion, and there is a very fine line of division here. In any event, even if it were opinion and therefore contrary to the orders of this house, I think it is quite readily understood and has been a practice that a question could be redrafted in a minor way, or in a major way if need be, so as to conform; therefore the question need not fall to the ground, necessarily, and be removed from the order paper on that ground.

But to me there is a much more fundamental point involved here. That is the second objection raised by the hon. member, as to whether this question offends the proprieties or the traditions of this house since it deals with a question of the political persuasions, principles or philosophy of a public servant. It would appear that none of the authorities, namely Bourinot, Beauchesne or May, deals specifically with such a question, nor by diligent search by the Speaker or his officers has it been possible to find a definite ruling by any speaker in regard thereto. But I find that in the absence of any known precedent for such a question, and having regard to the principle that a person's political convictions, persuasions or philosophy is a private matter which ordinarily is outside the administrative responsibility of the government or of any governmental corporation or body, and to the further principle that such political convictions, principles, persuasions or philosophy of any public servant is not a question of public concern or of official knowledge unless and until that person participates actively and publicly in a political organization. Therefore it is my opinion that the substance of part 3 of question No. 73 is not in line with the usages and traditions of this house.

I would refer hon. members to page 313 of Bourinot's fourth edition, where it is stated as follows:

> If an irregularity should escape the attention of the clerks at the table, the Speaker will point it out before the question is called, and the member is then generally permitted to put the question when he has struck out any objectionable words.

Beauchesne's fourth edition, citation 172, is also applicable but I do not think it is necessary at this stage to read it.

I may also raise this point later this day when certain other questions may come before the house. It is my ruling that paragraph 3 of question 73 should be deleted, and the remainder of the question may be answered as the minister may deem fit.

[Mr. Speaker.]

Mr. Halpenny:

1. (a)	Advertising revenue (gross	32,910,118
	Interest on investments	185,291
	Miscellaneous	224,431
		33,319,840
(b)	Parliamentary grant in respect of the net operating amount required to discharge the responsibilities of the national broadcasting service	70,252,273
2.	Parliamentary grant (see 1. (b) above)	70,252,273
	Parliamentary grant for the capital requirements of the national broadcasting service	6,214,232
		76,466,505

4. The control is vested as detailed in the Broadcasting Act 1958, part II.

5. The chief executive officer of the corporation is the president—J. Alphonse Ouimet. His salary is fixed by the governor in council.

INTEREST ON FEDERAL BORROWINGS AND LOANS

Question No. 74—**Mr. Caouette:**

1. What have been, for the last fiscal year, the gross national product and the gross national revenue?
2. What rate of interest will Canada pay on her last loan from the international monetary fund amounting to $1,050,000,000?
3. What share of the amount borrowed was loaned by Great Britain?
4. What was the rate of interest of the last loan made by Canada to Great Britain?

Answer by: **Mr. Grafftey:**

(Translation):

1. The gross national product for the 12 months period ending March 31, 1962, was $37,491 million. Net national income at factor cost for the same period was $28,451 million.

2. The drawing from the international monetary fund on June 24, 1962, totalled U.S. $300 million. On it the following charges are made by the fund:

(1) A fixed service charge of one half of one per cent on the total amount of the drawing.

(2) A charge payable on the fund's holdings of a currency that exceeds the member's quota. Canada's quota (subscription) in the fund is the equivalent of U.S. $500 million. As a result of the recent Canadian drawing of foreign currencies from the fund, the fund's holdings of Canadian dollars have been increased to the equivalent of U.S.

$688.2 million. On the portion of the fund's holdings of Canadian dollars in excess of our quota (equivalent to U.S. $138.2 million) the fund applies the following scale of interest charges.

0	to 3 months	0.0% per annum
3	to 18 months	2.0% per annum
1½	to 2 years	2.5% per annum
2	to 2½ years	3.0% per annum
2½	to 3 years	3.5% per annum
3	to 3½ years	4.0% per annum
3½	to 4 years	4.5% per annum
4	to 4½ years	5.0% per annum

In summary therefore, Canada paid a fixed service charge of one half of one per cent on the full amount of her U.S. $300 million drawing. Between June 24, 1962 and September 24, 1962, Canada paid no interest charges on her drawing. Since September 24, 1962, Canada has been paying interest on U.S. $132.8 million of her drawing at a rate of 2.0 per cent per annum.

3. The Canadian drawing included an amount in sterling equal to U.S. $100 million.

4. On the 1946 loan by Canada to Great Britain the rate of interest was 2 per cent per annum.

(Text):

GRAIN SALES TO RUSSIA

Question No. 76—**Mr. Benidickson:**

1. How many bushels of grain (specifying various types) by years were sold to the U.S.S.R. under the agreement on trade between Canada and U.S.S.R. concluded on February 29, 1956, up to the termination date of said agreement?

2. How many bushels of grain (specifying various types) have been sold to the U.S.S.R. (by years) to date under the renewal of the said agreement as referred to in the motion of the Minister of Trade and Commerce, *Hansard*, page 6104, July 12, 1960?

Answer by: **Mr. Nesbitt:**

1. 1956 Agreement

Period	Quantity (bushels)	Grade
Wheat		
Feb. 29/56 to Feb. 28/57	2,939,633	3 Northern
	11,850,816	4 Northern
Mar. 1/57 to Feb. 28/58	1,167,936	3 Northern
	6,218,860	4 Northern
Mar. 1/58 to Feb. 28/59	7,446,592	4 Northern
Barley		
March, April, May, 1958	2,790,000	3 CW 6 row
	296,000	4 CW 6 row
	1,781,000	3 CW 2 row

Questions

2. 1960 Renewed Agreement

Period	Quantity (bushels)	Grade
Wheat		
Apr. 1/60 to Mar. 31/61	189,653.3	2 Northern
	2,513,093.3	3 Northern
Apr. 1/61 to Mar. 31/62	4,808,570.7	3 Northern

IMMIGRATION—ENTRY OF CHINESE FIANCEES

Question No. 79—**Mr. Howard:**

1. Are any applications for the entry to Canada of fiancees of Chinese origin on file with the Department of Citizenship and Immigration and, if so, how many?

2. Expressed in groups by units of months, what number of the said applications have been on file for what period of time?

Answer by: **Mr. McGee:**

1. No statistics are kept of the number of applications for the entry to Canada of fiancees of Chinese origin on file with the Department of Citizenship and Immigration. Such applications may be in the course of processing at any immigration office in Canada and abroad. They could not be identified without a physical check of the files in those offices.

2. This information is not available and could not be compiled without the check described in 1.

STEWART-CASSIAR ROAD EXPENDITURES

Question No. 80—**Mr. Howard:**

1. With respect to the Stewart-Cassiar road being built under the so-called roads to resources program, what is (a) the total mileage (b) the mileage which has been constructed (i) south from Cassiar (ii) north from Stewart, and (iii) between the termini from Cassiar and from Stewart (c) the amount of money by fiscal years which has been spent to date (d) the expected date of completion?

2. If the expected date of completion is later than the expiry date of the agreement between Canada and the province of British Columbia, what steps are being taken to re-negotiate that agreement?

Answer by: **Mr. Dinsdale:**

1. (a) 320.9 miles.

(b) Construction is complete from a point 55 miles south of Cassiar southerly for a distance of approximately 84 miles. Construction has been completed northerly from Stewart for 27 miles.

(c)	1958-1950	$2,001,465.58
	1959-60	1,539,659.02
	1960-61	1,968,345.50
	1961-62	2,303,490.96
	1962-63 to date	822,013.96
		$8,634,975.02

(d) The province now estimates that the road will be completed in the fall of 1966.

Questions

2. When the agreement was signed on November 4, 1958, it was expected that the road could be completed within five years—i.e. by March 31, 1963. However, provision was made in the agreement for an additional year in the event that the weather and other conditions were such that it would be unreasonable to require British Columbia to complete the work by March 31, 1963. The maximum length of the construction period provided under the agreement is therefore six years.

On July 11 of this year, the responsible provincial minister wrote to me indicating that it was unlikely that the road could be completed by the fall of 1966. By letter of July 26, I informed the provincial minister that I would be quite prepared to recommend to my colleagues whatever extension in the life of the agreement British Columbia desires in order to provide for completion of this important project.

*INDIAN AFFAIRS BRANCH—J. E. GALIBOIS

Question No. 81—**Mr. Howard:**

Has a Mr. J. E. Galibois been employed within the Indian affairs branch since March 15, 1962, and, if so, what have been his occupations and locations of employment since that time?

Mr. McGee: Mr. J. E. Galibois has been employed within the Indian affairs branch since March 15, 1962.

From March 15 to April 10 he was superintendent of the Fort St. John agency at Fort St. John, B.C.

From April 11 to May 8 he was employed in the Indian affairs regional office in Vancouver in an administrative capacity.

From May 9 to September 4 he was absent on sick leave.

From September 4 to September 12 he was absent on annual leave.

Since September 13 he has been absent on retiring leave which terminates January 2, 1963.

*INDIAN AFFAIRS BRANCH DIRECTOR

Question No. 82—**Mr. Howard:**

1. Upon what date did Colonel H. M. Jones, director of the Indian affairs branch, attain his present position?

2. Upon what date is it expected that the said Colonel Jones will retire?

Mr. McGee:

1. September 1, 1953.

2. No information is available.

*EGG IMPORTS FROM POLAND

Question No. 83—**Mr. Clunis:**

Can the Minister of Agriculture assure the house that the new contracts with Poland for the sale of wheat do not involve the importation of quantities of Polish eggs or egg concentrates into Canada?

[Mr. Dinsdale.]

Mr. Hamilton (Qu'Appelle): Mr. Speaker, what the hon. gentleman is probably referring to are imports of Polish eggs with dark yolks which were processed in Canada and then exported. Egg imports or exports into Canada are conducted entirely by commercial interests. In the past several years exports of Canadian eggs have been much larger than imports.

I have discussed this matter with the egg producers association, and they agree it is important that Canada take no action which would hurt the export of Canadian eggs. In any case, the wheat board, which looks after the sale of Canadian wheat, has nothing to do with eggs. The question of eggs has never come up between the representatives of the Polish government and myself, as a member of the Canadian government, in discussions of wheat matters. Therefore I have to suggest that the question from this point on is hypothetical.

ASCENSION, QUE.—REPAIRS TO WHARF

Question No. 87—**Mr. Lessard (Lake St. John):**

What are the following details concerning the repairs which have been made by the Department of Public Works to the wharf of Garnier, on the Peribonka river, near the village of Ascension, shortly prior to the last election:

1. The names of the persons employed thereon, and the amount paid to each of them?

2. The cost of the materials used and the names of the suppliers, together with the price paid in each case?

3. The name of the person in charge of such repair work?

Answer by: **Mr. McCleave:**

1. The repairs to the wharf at Garnier were carried out under contract with Mr. Antonio Fleury of L'Ascension, P.Q. The department has no record of Mr. Fleury's employees. The contract was for $1,190.00.

2. The only material furnished by the department under the terms of the contract was a special paint which was supplied by A. Ramsay & Son Limited (International Paints (Canada), Limited) at a cost of $75.36 for 12 gallons. All other materials were supplied by the contractor and the department has no record of the contractor's sources of supply and prices paid for these materials.

3. The work was under the immediate supervision of Mr. Rene Vincent, Territorial Engineer, Quebec District Staff, Department of Public Works.

*CANADA'S CONTRIBUTION TO NATO

Question No. 88—**Mr. Matheson:**

1. Is Canada's contribution to NATO in military personnel higher or lower on a per capita basis than that of each of her NATO allies?

2. Which national forces of the NATO alliance are equipped exclusively with non-nuclear weapons?

Mr. Harkness: This information is not readily available. However, the following table shows the estimated percentage of defence expenditures to the gross national product of each of the NATO countries for the year 1961, and I would ask the permission of the house to have the table printed in *Hansard* rather than read it.

Mr. Speaker: Is the house agreeable to the minister's request?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to above is as follows:*]

Belgium, 3.3; Canada, 5.3; Denmark, 3.0; France, 7.7; Germany, 4.9; Greece, 5.4; Italy, 3.9; Luxembourg, 1.2; Netherlands, 5.0; Norway, 3.9; Portugal, 7.6; Turkey, 5.5; United Kingdom, 7.3; United States, 10.3.

Mr. Harkness: To reply to the second part of this question would be to show by inference which nations of the NATO alliance are equipped with nuclear weapons. In this regard, I have nothing to add to the statement I made on September 14, 1961, as reported in *Hansard*, pages 8356-57.

COMBINES—PROSECUTIONS UNDER ACT OR CODE

Question No. 89—**Mr. Knowles:**

1. Since November 13, 1959, have any persons or corporations been fined for infractions of the Combines Investigation Act or section 411 or 412 of the criminal code?

2. If so, (a) what are the names of the persons or corporations so fined (b) what was the amount of the fine in each case (c) when was the fine imposed (d) what infractions occasioned the fine?

Answer by: **Mr. Bell (Saint John-Albert):**

1. Yes.

2.

(a)	(b)	(c)	(d)
Armco Drainage & Metal Products of Canada Limited	$20,000	Nov. 13, 1959	Agreement to prevent or lessen competition unduly contrary to section 411(1)(d) Criminal Code
The Pedlar People Limited	15,000		
Westeel Products Limited	15,000		
Rosco Metal & Roofing Products Limited	12,000		
Canada Culvert Company Limited	3,000		
Canadian International Paper Co.	$25,000	June 15, 1960	Agreement to prevent or lessen competition unduly contrary to section 498(1)(d) Criminal Code
Howard Smith Paper Mills Ltd.	25,000		
St. Lawrence Corp. Ltd.	20,000		
The E. B. Eddy Co.	20,000		
Anglo-Canadian Pulp & Paper Mills Ltd.	20,000		
Consolidated Paper Corporation Ltd.	20,000		
Abitibi Power & Paper Company Ltd.	15,000		
Gaspesia Sulphite Co. Ltd.	15,000		
St. Anne Power Co.	10,000		
The Ontario Paper Co. Ltd.	10,000		
Donnacona Paper Ltd.	10,000		
The KVP Co. Ltd.	10,000		
Richmond Pulp & Paper Co. of Canada Ltd.	8,000		
The James Maclaren Co. Ltd.	8,000		
Armstrong Forest Co.	8,000		
Gair Co. of Canada Ltd.	8,000		
Spruce Falls Power & Paper Co. Ltd.	8,000		
Electrical Contractors Association of Ontario	$7,500	June 15, 1960	Agreement to prevent or lessen competition unduly contrary to section 411(1)(d) Criminal Code
C. W. Dent	7,500	Nov. 28, 1961	

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(a)	(b)	(c)	(d)
McMaster Fuel Company Limited	$8,000	Oct. 23, 1961	Agreement to prevent or lessen competition unduly contrary to section 411(1)(d) Criminal Code
Lyons Fuel Hardware and Supplies Ltd.	4,000		
Soo Falls Brewing Company Ltd.	3,500		
Eddie Black's Limited	$1,800	Jan. 23, 1962	Misrepresentations as to ordinary prices of articles contrary to section 33C(1) Combines Investigation Act
Ultra Opti-kon Limited	$ 350	Sept. 11, 1962	Misrepresentations as to ordinary prices of articles contrary to section 33C(1) Combines Investigation Act
Ace Liquidators Limited	*	Sept. 13, 1962	Misrepresentation as to ordinary price of article contrary to section 33C(1) Combines Investigation Act
Frederick's Department Store Limited	$ 100	Sept. 20, 1962	Misrepresentation as to ordinary price of article contrary to section 33C(1) Combines Investigation Act

*Sentence was reserved until disposition of the second charge which is expected to be tried on October 5, 1962.

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*POINT PELEE NATIONAL PARK WALKWAY

Question No. 92—**Mr. Whelan:**

Has the government authorized the building of a walk-way in the marsh at Point Pelee national park and, if so, what is the anticipated cost?

Mr. Dinsdale: This item has been recommended by the department at a cost of $62,000.

CANADIAN BROADCASTING CORPORATION—CONTROL

Question No. 93—**Mr. McIlraith:**

What is being done by the government to remove the Conservatives and the like-minded people from the control of the government owned radio and television service?

He said: Mr. Speaker, in view of your ruling with regard to question 73 I would ask leave to withdraw this question.

Mr. Speaker: Has the hon. member the unanimous consent of the house to withdraw the question?

Mr. Churchill: I think it would be better to rule it out of order in conformity with your earlier ruling.

Mr. Speaker: Has the hon. member unanimous consent to withdraw his question?

[Mr. Bell (Saint John-Albert).]

Some hon. Members: No.

Mr. Speaker: Since there is not unanimous consent, my answer would be that the first portion, a statement of fact or opinion, has no application in this regard. Otherwise all those remarks which I ascribed as reasons for striking out the second paragraph of question 73 would apply to the present question, and this one is therefore out of order.

Mr. McIlraith: On the point of order—

Mr. Speaker: The ruling is finished now.

Mr. McIlraith: I have asked you for permission to say something on the point of order involved in justification of whether or not this question is out of order.

Mr. Speaker: But I have given my ruling; we cannot open it up again. That is doubly reinforced, I think, by the fact that the hon. member wished to withdraw his question.

Mr. McIlraith: For correct reasons.

[*Later:*]

Mr. Speaker: In order that the record may not appear incorrect, I find I have misdirected myself in one particular by saying that the hon. member for Ottawa West would require the unanimous consent of the house in

order to withdraw his question. This is not the case; and therefore the hon. member, if he so desires, can withdraw his question. Since he made that request in the first place, I will accede to it.

Mr. McIlraith: On a question of privilege, Mr. Speaker, that raises the question of whether or not your remarks on the point should come off the record of *Hansard*.

Mr. Speaker: I think the hon. member will see that they have no application to his particular question.

Mr. McIlraith: Thank you, Mr. Speaker.

Order discharged and question withdrawn.

*LOAN BY CANADA TO BRITAIN

Question No. 94—**Mr. Ouellet:**

1. Has the billion dollar loan made by Canada to England been reimbursed?
2. What is the rate of interest applicable thereto?

(Translation):

Mr. Grafftey: Mr. Speaker, the answer to the first part of the question is as follows:

1. Under authority of the United Kingdom Financial Agreement Act of 1946, Canada extended a credit of $1,250 million to the government of the United Kingdom, to be drawn any time prior to December 31, 1951, and under this credit the United Kingdom borrowed a total of $1,185 million in the period from 1947-1951. Payments of both principal and interest on the outstanding debt have been made regularly under the terms of the agreement.

2. 2 per cent per annum, and

3. January 1, 1962.

(Text):

*DAWSON CITY FESTIVAL—ENTERTAINMENT GROUPS

Question No. 96—**Mr. Robichaud:**

1. Was any entertaining troupe or group invited to take part at the Dawson City festival?

2. If so, (a) what percentage of such group was of Canadian origin or talent (b) what was the total amount paid for such services (c) what was the amount paid for entertaining groups originating from the U.S.A.?

Mr. Dinsdale: Mr. Speaker, the arrangements for the Dawson City festival program were made by the Dawson City festival foundation, a private organization incorporated under the Yukon societies ordinance and, by the Canadian Theatre Exchange Limited, consultants to the foundation. The question pertains to matters within the jurisdiction of these companies and not within that of the government.

VOCATIONAL SCHOOL CONSTRUCTION—PAYMENTS TO PROVINCES

Question No. 98—**Mr. Laing:**

1. What has been the total payment to date in each province under the agreement to build vocational schools?

2. What is the value of projects approved but not completed?

Answer by: **Mr. Hales:**

1 and 2.

Province	Total payments including accounts in process* Apr. 1/61-Oct. 12/62	Total estimated cost of approved projects (completed & uncompleted)* Apr. 1/61-Oct. 12/62
Newfoundland	$ 7,014,430	$ 24,793,441
Prince Edward Island	71,510	2,736,664
Nova Scotia	983,828	8,265,756
New Brunswick	1,069,949	5,797,664
Quebec	4,105,155	29,045,628
Ontario	57,420,786	288,908,963
Manitoba	862,334	5,252,571
Saskatchewan	949,595	15,145,584
Alberta	5,179,511	40,039,640
British Columbia	2,339,555	17,146,515
Yukon	288,538	1,154,980
N.W.T.	Nil	Nil
Canada	80,285,191	438,287,406

*Includes payments for the purchase of equipment.

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GRAIN SALES TO CHINA

Question No. 101—**Mr. Laing:**

In connection with the agreement that exists for the sale of food grains to the people's republic of China:

1. What volume in bushels and value in dollars are involved in firm contract?
2. What volume in bushels, and of what value in dollars, has been shipped to date?
3. Have all payments been made to date within the terms of the agreement?
4. What is at present the credit, in dollars, extended under the agreement?
5. What volume in bushels, and of what grades, has been shipped under the agreement?
6. Has there been any firming up of the supplementary agreement announced by the Minister of Agriculture?
7. If the answer to No. 6 is yes, what additional volume and value is now firmly committed?

Answer by: **Mr. Hamilton:**

1, 2, 5, 6, and 7: Prior to the purchase of grain by China under short term credit arrangements, there was a sale and shipment of 31.7 million bushels of wheat and 12.7 million bushels of barley on a cash basis. The value of this grain was approximately $70 million.

Following the cash sale, a long term agreement was concluded by the Canadian wheat board and the China National Cereals, Oils and Foodstuffs Import and Export Corporation and its accredited agent, the China Resources Company. The agreement calls for the purchase and supply of up to five million tons of wheat (187.6 million bushels) and one million tons of barley (46.7 million bushels) for shipment during the period June 1, 1961 to December 31, 1963. Individual sales contracts under the long term agreement are to be negotiated periodically as to quantity and price.

Six individual contracts have been concluded to date under the long term agreement, totalling 111.6 million bushels of wheat and 26.9 million bushels of barley. The estimated value of these contracts is $243.1 million.

Actual shipments to date under credit arrangements total 94.2 million bushels of wheat and 26.9 million bushels of barley at an estimated value of $208.3 million.

The following quantities of grain have been shipped during the period March 1, 1961 to September 30, 1962:—

	Cash (Million Bushels)	Credit (Million Bushels)
Wheat		
No. 1 Northern	—	10.3
No. 2 Northern	27.1	55.6
No. 3 Northern	4.6	28.3
	31.7	94.2
Barley		
No. 1 Feed	12.7	20.3
No. 2 Feed	—	6.6
	12.7	26.9

3. Yes. Payment terms for the contracts negotiated to date are: 25 per cent cash and 75 per cent on 273 days credit with interest. All credit drafts under these arrangements have been honoured on the scheduled due dates.

As at October 5, $96.4 million.

WORK WEEK, FISHERY AND PROTECTION OFFICERS

Question No. 103—**Mr. Stewart:**

1. Are fishery officers employed on a forty hour week basis? If so, on what date was this basis introduced?
2. Are protection officers employed on a forty hour week basis? If so, on what date was this basis introduced?
3. Were protection officers as a class paid a bonus for any purpose during the past five years? If so, for what purpose?

Answer by: **Mr. MacLean:**

1. Yes. July 1, 1958.
2. Yes. July 1, 1958.
3. No.

JASPER NATIONAL PARK—HIGHWAY USE

Question No. 106—**Mr. Leboe:**

1. What are the regulations for the use of commercial trucks on highway 16 through Jasper national park?
2. What are the plans for completion of highway 16 through Jasper national park?
3. Will plans for highway 16 call for three lanes on hills to take care of slow traffic?

Answer by: **Mr. Dinsdale:**

1. The use of commercial trucks on highway 16 through Jasper national park (commonly referred to as the Jasper-Edmonton highway section and the Jasper-Yellowhead highway) is governed by the national parks highway traffic regulations, established pursuant to the National Parks Act, more specifically the following sections:

Section 8: (2) The chief may authorize the superintendent to issue a park motor licence for the operation of a truck over the Jasper-Yellowhead highway in Jasper park;

(3) No person shall operate a truck on the highway described in subsection (2);

(a) the overall height of which including its load exceeds twelve feet, six inches;

(b) the weight of which including its load and driver exceeds seven tons; or

(c) between the hours of seven o'clock in the forenoon and seven o'clock in the afternoon during the period commencing the 1st day of May and ending the 30th day of September next, both days inclusive.

Section 10: "No person shall drive or operate a truck

(a) that exceeds forty five feet in overall length or eight feet in width on that section of the Jasper-Edmonton highway in Jasper park between the eastern boundary of the park and the townsite of Jasper;

(b) that exceeds thirty five feet in overall length or eight feet in width on the Banff-Windermere highway in Kootenay park between the western boundary of the park and Radium Hot Springs townsite;

(c) that exceeds twenty six feet in overall length or eight feet in width if such motor vehicle is used for the conveyance of gasoline, lubrication oil, fuel oil or liquefied petroleum gas on any highway in Banff, Jasper, Kootenay or Yoho parks other than those referred to in paragraph (a) and (b); or

(d) that exceeds twenty four feet in overall length or eight feet in width, if such motor vehicle is used for any purpose other than those specified in paragraph (c), on any highway in Banff, Jasper, Kootenay or Yoho parks other than those referred to in paragraphs (a) and (b)."

Section 7A of the schedule of fees: "Trucks entering Banff, Jasper, Yoho, Kootenay, Glacier and Mount Revelstoke national parks, other than those described in item 7, (item 7 deals with trucks entering Kootenay national park)

(a) with carrying capacity up to and including two tons (i) single trip fee, $1; (ii) fifty trip fee, $25; (iii) licence, $50.

(b) with carrying capacity exceeding two tons (i) single trip fee, $2; (ii) fifty trip fee, $50; (iii) licence, $100."

2. Subject to sufficient funds being made available annually by parliament, it is anticipated that the reconstruction of that portion of highway 16 (the Jasper-Edmonton highway) between the Jasper east gate and the Jasper townsite will be completed in about five years starting with the 1963-64 fiscal year. There are still 20 miles to be reconstructed on this section.

In addition there is an 18-mile section of highway 16 (the Jasper-Yellowhead highway) between Jasper townsite and the western boundary of the park. Some right of way clearing was undertaken on this section as part of the winter work programs from 1957 to 1961. Although this section of highway 16 is included in the trunk highway reconstruction program the actual phasing of the work has not yet been decided upon.

Questions

3. Highway 16 is being reconstructed to trans-Canada highway standards. Based on these standards, slow traffic lanes will be provided wherever applicable.

*GOLD RESERVE AND MONEY IN CIRCULATION

Question No. 107—**Mr. Cote:**

1. What is the value of the gold reserve held by the Bank of Canada as security for the money supply of this country?

2. What is the amount of money now in circulation in this country?

(Translation):

Mr. Grafftey: Mr. Speaker, the answer to the first part of question No. 107, is that the Bank of Canada does not hold any gold.

Here is the answer to part two: If the question refers to bank notes, the Bank of Canada's liability for notes in circulation as at September 30 was $2,132,715,110.

(Text):

*BUTTER PRODUCTION AND STORAGE

Question No. 109—**Mr. Matheson:**

1. What was the volume of production of butter from January 1 to June 30, 1962?

2. What was the volume of consumption of butter in the same period?

3. What is the latest information available with respect to volume of butter stocks or their equivalent in butter oil in storage?

Mr. Nesbitt:

1. The volume of production of butter from January 1 to June 30, 1962 was 160,556,000 pounds.

2. The volume of consumption of butter in the same period was 144,406,000 pounds.

3. Butter stocks at September 1, 1962 were 144,932,000 pounds. In addition there were 82,269,000 pounds of butter oil or the equivalent of 102,836,000 pounds of butter.

PER CAPITA PRODUCTION AND DEBT

Question No. 110—**Mr. Matheson:**

1. What is the production output per capita, together with percentage change in comparison with 1960, for the year 1961?

2. What is the national debt per employed person as at March 31, 1962? (Reference is made to starred question No. 116 as reported in *Hansard* on February 12, 1962).

Answer by: **Mr. Nesbitt:**

1.

	G.N.P. in Current Dollars	G.N.P. in Constant (1957) Dollars	G.N.P. in Current Dollars Per Capita	G.N.P. in Constant (1957) Dollars Per Capita	Percentage Change in Current Dollars	Percentage Change in Constant (1957) Dollars
1960	35,928	33,907	2,011	1,897		
1961	36,844	34,529	2,020	1,893	+0.4	−0.2

2.

Net Debt (1) of the Government of Canada as at March 31, 1962	Labour Force Employed (2) week ending March 24, 1962	Net Debt per Employed Person
$'000	'000	$
13,228,137	5,894(3)	2,244

(1) Source: Statement of government financial operations for the fiscal year ended March 31, 1962, issued by the office of the Minister of Finance, Ottawa.

(2) Source: Monthly bulletin, *The Labour Force*, March 1962, published by the dominion bureau of statistics, Ottawa.

(3) The employed labour force data previously submitted on February 8, 1962, was an annual average whereas this figure is for the week ending March 24, 1962. There is as yet no annual average for 1962.

Note: Public accounts of Canada, fiscal year ended March 31, 1961, Part I, page 134, states: "The net debt of Canada is represented by the excess of liabilities over the recorded net assets, or, in effect, the accumulated deficit since confederation.")

*JOHN FISHER

Question No. 111—**Mr. Howard:**

Is a Mr. John Fisher employed in any capacity with the government of Canada and, if so, what is his position and duties, how long has he been so employed and at what salary and expense allowance, what total amount of money has been paid to him as salary and as expenses, and under what vote or votes of the estimates for each fiscal year during his employment has this salary and expense allowance been paid?

Mr. Diefenbaker: (a) Yes. (b) Special assistant to the Prime Minister. (c) Mr. Fisher's duties are to assist in the routine operations of the Prime Minister's office and to handle any matters that are assigned to him. (d) Reported for duty on July 11, 1961. (e) $10,000.00 per annum (no expense allowance paid). (f) An amount of $12,568.85 salary to October 15, 1962. (g) (i) Vote 313 (1961-62) privy council—general administration; (ii) Vote 5 (1962-63) privy council—general administration.

*MONTMAGNY, QUE.—REMOVAL OF HARBOUR OBSTRUCTION

Question No. 112—**Mr. Cook:**

Has the Minister of Public Works lately received, from the county of Montmagny-L'Islet, inquiries or memorandums concerning the blasting of a rocky ridge off the wharf of Montmagny which prevents coastal navigation at this natural harbour?

(Translation):

Mr. McCleave: Mr. Speaker, the answer is no.

[Mr. Nesbitt.]

(Text):

*NIGHT TRAIN SERVICE, QUEBEC-MONTREAL-OTTAWA

Question No. 113—**Mr. Cook:**

Is the Department of Transport at the present time looking into the possibility of re-establishing, as early as this fall, the night trains between Quebec, Montreal, and Ottawa?

Mr. McBain: The reply to this question is as follows. The board of transport commissioners advise that the Canadian Pacific Railway Company provided an overnight passenger service between Montreal and Quebec up to May 15, 1961, at which time this service was discontinued. This reduction in passenger train service was investigated by the board and their review of the background leading up to this change indicated that, because of a substantial decline in patronage, the company found it necessary to discontinue the service. It was evident that the patronage of these trains had diminished since the year 1955 by some 45 per cent, and that in consequence of this reduction in passenger traffic the trains were being operated at a substantial loss.

Under the circumstances the board found that the financial improvement for the company in discontinuing the trains outweighed any incidental inconvenience to the travelling public between these points and no action was taken to interfere with the company's proposal. In this connection the board took into consideration the remaining service provided between these two important centres.

The board states that there has been no public demand for a restoration of this service since the trains were discontinued in May 1961, and no action is being taken by the board to have this service restored effective with the fall change of timetable.

IPPERWASH CAMP—RELEASE OF CIVILIAN EMPLOYEES

Question No. 115—**Mr. Burgess:**

1. How many civilian employees have been released recently upon the closing of the Ipperwash military camp?
2. Have any steps been taken to provide alternative employment for such former employees?
3. If so, for how many former employees has employment been provided?

Answer by: **Mr. Harkness:**

1. A short break in employment occurred during the period between the end of the cadet camp and the return of the battalion

which has been stationed there from summer exercises at Camp Gagetown, N.B. This involved 18 civilians.

2. Yes.

3. 16.

WALLACEBURG, ONT.—CLOSING OF SUGAR FACTORY

Question No. 116—**Mr. Burgess:**

1. Is the government aware that the Canada and Dominion Sugar Company factory at Wallaceburg, Ontario, has been permanently closed and will shortly be dismantled?

2. If so, has the government any plans to assist the sugar beet growers and processors to ensure the preservation of the sugar beet industry in southwestern Ontario and elsewhere?

3. If the answer is in the affirmative, what steps are being taken in this regard?

Answer by: **Mr. Hamilton:**

1. The government is aware that the Dominion Sugar Company factory at Wallaceburg, Ontario, is closed but have no knowledge as to what plans the company may have with respect to this plant.

2. Sugar beet growers in Canada received no assistance through price support prior to the introduction of the Agricultural Stabilization Act in 1958. Since 1958 sugar beet growers in Canada, including growers in southwestern Ontario, have been assisted by means of deficiency payments. The total assistance provided for the three crop years, 1958 to 1960 inclusive, amounted to $7,042,504.00.

During the past year an intensive review was made of sugar beet production in Canada, following which the method of determining the support level for the 1962 crop was modified. Previously growers had been paid the difference between a prescribed price for beets and returns received by growers from sugar beet processors. On the 1962 crop the amount that the growers will be paid will be determined by the relationship between the value of imported raw sugar and the support level. It is believed this method of providing support should protect the industry from the fluctuations in the world sugar market and thus insure the preservation of the sugar beet industry in Canada.

3. See answer to No. 2.

*MONTREAL HARBOUR—TRAFFIC OFFENCES

Question No. 117—**Mr. Deschatelets:**

Since the opening of the 1962 navigation season in the harbour of Montreal:

1. How many tickets have been issued by the traffic officers of the national harbours board for speeding on the harbour road along the St. Lawrence river?

2. How many tickets were issued for illegal parking?

3. Of the total number of speeding or parking tickets, how many have been issued to harbour employees, including longshoremen?

4. How many parking permits of harbour employees, including longshoremen, have been cancelled?

5. What has been the total amount of fines collected for speeding or parking offences in the harbour area of Montreal?

Mr. McBain:

1. Sixty.

2. One thousand and eighty two.

3. Information not available. Only licence number of automobile is indicated on tickets.

4. Twenty five.

5. (i) Speeding offences: fines paid in city court and information not available at this time. (ii) Parking offences: $5,125. (estimated).

*EXPORT IMPORT BANK—REQUEST FOR ASSISTANCE

Question No. 118—**Mr. Gordon:**

On what date did the Canadian government or any of its officials first approach the export import bank for assistance in connection with foreign exchange in the winter or spring of 1962?

Mr. Grafftey: June 20, 1962.

*FEASIBILITY STUDY, P.E.I.-N.B. CAUSEWAY

Question No. 119—**Mr. Stewart:**

1. Is the feasibility of constructing a causeway between Prince Edward Island and New Brunswick now under active examination and, if so, who is the officer charged with the task of making this examination?

2. Has this officer, or his associates, or any other person (or persons) commissioned by the government made any report, or reports, to the appropriate minister since April 1, 1962 and, if so, what are the dates of those reports?

Mr. McCleave:

1. The department has retained the three firms of Langevin, Letendre and Monti, Canadian-British Engineering Consultants, and H. G. Acres and Company Limited, as a joint venture to carry out the engineering on this project, under the name of Northumberland Consultants Limited. The department is presently setting out the terms of the agreement between the department and the Northumberland Consultants Limited.

2. No.

GOVERNMENT CORPORATIONS—CONTROL

Question No. 124—**Mr. Fisher:**

What is being done by the government to remove Liberals and like-minded persons from the control of government-owned corporations?

He said: This question and the next I wish to withdraw.

Order discharged and question withdrawn.

Questions

GOVERNMENT CORPORATIONS—CONTROL

Question No. 125—**Mr. Fisher:**

What is being done by the government to remove persons who subscribe to the theories of Social Credit from control of government owned corporations?

Order discharged and question withdrawn.

SUBSIDIES TO POTATO GROWERS, N.B.

Question No. 128—**Mr. Peters:**

1. Was a federal subsidy paid to the potato growers of New Brunswick for the 1961-62 winter growing season and, if so, what was the amount of the subsidy (a) in total (b) per barrel?
2. What was the total amount paid the farmer per barrel, taking into account the subsidy and the amount paid by the exporter?
3. What was the profit or loss per barrel to the farmer, based on his cost of production as determined by the royal commission on the potato industry in New Brunswick?
4. What was the profit or loss per barrel to the exporter?
5. Were telegrams sent by the stabilization board to firms interested in bidding on contracts for the export of these subsidized potatoes and, if so, (a) when were the telegrams sent (b) by what date were answers required?
6. How many firms bid for the contract, and which firm was successful?
7. For what foreign market were these subsidies originally authorized?
8. Were the subsidies subsequently transferred to another market and, if so, why?

Answer by: **Mr. Hamilton:**

1. Yes, on potatoes from the 1961 crop.

The subsidy on potatoes diverted to starch amounted to $614,505.87, or 99.5 cents per barrel. The amount of subsidy on potatoes exported out of Canada has not yet been determined.

2. The subsidy was conditional on the grower receiving a total of $1.45 per barrel, Canada No. 1 grade potatoes exported, and $1.35 per barrel on potatoes diverted to starch. The $1.35 per barrel on potatoes diverted to starch was equivalent to $1.45 per barrel Canada No. 1 grade since potatoes diverted to starch could include up to 12 per cent Canada No. 1 grade small potatoes.

3. The royal commission on the potato industry in New Brunswick reported the cost of growing potatoes on 31 farms at $1.49 per barrel for the ten low cost farms and $2.26 per barrel for the ten high cost farms. Since the majority of the farmers undoubtedly sold a considerable proportion of their crop through regular commercial channels at prices somewhat higher than was paid for either starch diversion or export, it is impossible to calculate the profit or loss to the farmer.

4. Not available.

5. On April 2, 1962, telegrams were sent to ten exporters who had previously indicated an interest in exporting potatoes requesting information on quantities and prospective markets and assistance required to make firm offers. Based on the information received in replies, a further telegram was forwarded to exporters on April 6 inviting tenders for shipments for export with replies to be received by April 10.

6. Tenders were invited from ten firms. The only successful firm was McCormack and Zatzman, Saint John, N.B.

7. Spain.

8. The program was extended to include other foreign markets because of the possibility of making additional sales and thus provide a market for surplus maritime potatoes.

[Mr. Fisher.]

*ASSISTANCE IN MARKETING ONTARIO CORN

Question No. 129—**Mr. Whelan:**

1. Does the government have any plans to assist the farmers of western Ontario with the marketing of their bumper corn crop now being harvested?
2. Does the government plan to re-introduce the surtax on corn imported from the United States used for agricultural production in Ontario?
3. Does the government provide freight assistance on American corn destined to the Atlantic provinces and, if so, why now, when Ontario crop is being harvested?

Mr. Jorgenson:

1. No. However, Ontario is a feed grain deficient province and imports about one million tons of feed grains annually. There is a ready market for corn produced in Ontario but somewhat less than half the production is sold, with the remainder fed by the individual producer. The Ontario corn producers recently voted against any plan to market their corn under a producers' marketing scheme.

2. The government is not contemplating at this time the reintroduction of a surtax on corn imported for use in agricultural production.

3. No. The policy which provided $5 per ton assistance on any feed corn delivered to the Atlantic provinces terminated September 30, 1962.

*RECIPIENTS OF UNEMPLOYMENT INSURANCE BENEFITS

Question No. 130—**Mr. Deschatelets:**

1. How many unemployed are now receiving unemployment insurance benefits?
2. In order to give a more complete picture of the employment situation, would the Minister of Labour, each month, tell the house how many out of work persons are drawing unemployment benefits?

Mr. Hales:

1. This information is not available.

2. Statistics are not maintained as to the number of active claimants who are actually in receipt of benefit at a given time. It would, therefore, not be possible to supply this information.

Mr. Martin (Essex East): I rise on a point of order, Mr. Speaker. Surely the hon. gentleman cannot mean that the answer to question No. 1 is that these figures are not available, as they have been given to the house previously by the Minister of Labour.

Mr. Starr: Oh, no.

Mr. Hales: This answer was obtained from the unemployment insurance commission.

Mr. Starr: Speaking to a point of order, Mr. Speaker, since my name was brought into this matter as having given similar information to that asked for, I must say that statement is untrue and incorrect. This type of information has never been given. We asked the unemployment insurance commission to answer these questions, and these are the answers they gave us.

*SOCIAL ASSISTANCE PAYMENTS TO PROVINCES

Question No. 131—**Mr. Cote:**

1. What amount has been paid, since January 1, 1962, to the social assistance services of the ten provinces of Canada to assist families and individuals no longer receiving unemployment insurance?
2. How many persons benefit by these social assistance contributions?

Mr. Monteith: The answer to parts 1 and 2 is as follows:

On the basis of the report forms employed by the provinces in the administration of their social assistance programs, that are available in my department, it does not appear that data on numbers of assistance recipients whose unemployment insurance benefits have been exhausted are normally collected by the provinces. We are, however, getting in touch with the provincial departments of public welfare to determine if the kind of information requested by the hon. member can be obtained.

*FRENCH LANGUAGE BROADCASTING, B.C.

Question No. 133—**Mr. Prittie:**

1. Has the Canadian Broadcasting Corporation given consideration to the establishment of a French language radio station in the lower mainland of British Columbia?
2. If so, is a low power repeater type station or stations possible or practicable?
3. Is the C.B.C. in a position to give a brief statement on the overall problem of French language broadcasting in B.C. including demand and cost factors?

Mr. Halpenny:

1. Yes.

2. Not practicable at present, because of costs involved to extend the French network service to British Columbia.

3. With the exception of the greater Vancouver area the French language population in British Columbia is scattered. To provide French language service the cost per capita would be high. Quite a number of requests have been received over the past few years from individuals and groups. All such requests are considered in relation to the overall demands from all parts of Canada, and extension of service is carried out on the basis of giving priority to areas in which the largest number of people can be served at the lowest per capita cost.

IMPORTS OF APPLES AND BY-PRODUCTS

Question No. 135—**Mr. Rondeau:**

1. What quantity of apples and apple by-products were imported into Canada during 1961?
2. From what countries were such imports made?
3. What was the volume and value in dollars of such imports?
4. In what centres in Canada was this produce sold?

Answer by: **Mr. Nesbitt:**

1, 2 and 3.

Imports into Canada, by countries, of apples and apple by-products, separately classified, during the calendar year 1961:

Class	Country	Lb.	Value
Apples, including crab-apples (class 1)	United Kingdom	173,700	$ 19,619
	New Zealand	2,174,304	202,698
	United States	55,947,682	4,039,244
	Totals	58,295,686	$4,261,561
Apples, dried (class 31)	Italy	31,000	9,195
	Australia	11,200	4,097
	United States	784,592	296,408
	Totals	826,792	$ 309,700

Apple juice and apple sauce—not separately classified.

4. Not available.

Questions

WINDERMERE LAKE, B.C.—BOAT LOADING RAMP

Question No. 137—**Mr. Byrne:**

Did the federal government at any time, since 1959, construct a boat-loading ramp on lake Windermere, B.C., and, if so (a) under what item in the estimates was this expenditure authorized (b) what was the cost of this undertaking?

Answer by: **Mr. McCleave:**

Yes. A boatloading ramp was built on lake Windermere at Windermere, B.C. in 1960 and one is now under construction at Invermere, B.C. on the same lake.

(a) The work at Windermere was authorized under vote 368 of the 1960-61 estimates "Miscellaneous works not otherwise provided for".

The work at Invermere was authorized under vote 195 of the 1962-63 estimates "Miscellaneous works not otherwise provided for, including expenditures on works other than federal property".

(b) The expenditure at Windermere was $5,334.76.

The estimated expenditure at Invermere is $8,000, the work being about 80 per cent complete at this time.

OKANAGAN LAKE, B.C.—BREAKWATER

Question No. 138—**Mr. Byrne:**

Did the federal government at any time since 1959, give a grant to any authority toward the building of a breakwater on lake Okanagan, and, if so (a) what concrete purpose did it serve (b) to whom was the grant made (c) what was the total amount (d) under what item in the estimates was it granted?

Answer by: **Mr. McCleave:**

The federal government has not given a grant to any authority toward the building of a breakwater on lake Okanagan since 1959.

WHEAT EXPORTS TO U.K.

Question No. 139—**Mr. Teillet:**

What were the exports of wheat in bushels to the United Kingdom, during the following crop years: 1956-57, 1957-58, 1958-59, 1959-60, 1960-61, 1961-62?

Answer by: **Mr. Nesbitt:**

Export clearances of Canadian wheat to Great Britain during the crop years 1956-57 to 1961-62 were as follows:

1956-57, 79,629,421 bushels; 1957-58, 90,325,-520, bushels; 1958-59, 87,032,155 bushels; 1959-60, 79,950,544 bushels; 1960-61, 78,616,245 bushels; 1961-62, 73,738,338 bushels.

In addition, customs' exports of Canadian wheat flour in terms of wheat equivalent were as follows:

1956-57, 10,806,097 bushels; 1957-58, 13,735,-048 bushels; 1958-59, 13,855,251 bushels; 1959-60, 13,627,732 bushels; 1960-61, 13,157,035 bushels; 1961-62, 12,210,983 bushels.

[Mr. Nesbitt.]

R.C.A.F. BASES IN MANITOBA

Question No. 140—**Mr. Teillet:**

1. How many Royal Canadian Air Force bases were in operation in the province of Manitoba on June 30, 1962?
2. How many are now in operation?
3. Is it the intention of the government to close any R.C.A.F. bases in Manitoba and, if so, which ones?

Answer by: **Mr. Harkness:**

1. Seven.
2. Seven.
3. No.

*IMPORTATION OF AUTOMATIC TRANSMISSIONS

Question No. 141—**Mr. Martin (Essex East):**

1. Has the government renewed the order in council, providing free entry of automatic transmissions into Canada, which expires October 31, 1962?
2. Has the government given consideration to the adoption of policies designed to encourage the manufacture of automatic transmissions by Canadian automotive companies in Canada in concert with one another or on an individual basis?
3. Has the government given consideration to the desirability of establishing a crown corporation in Canada for the manufacture in Canada of automatic transmissions to provide employment and avoid the further drain on Canada's foreign exchange reserves?

Mr. Grafftey: The answer to question 1 is no, to question 2, yes and question 3, no.

SECRET ORDERS IN COUNCIL

Question No. 145—**Mr. Knowles:**

1. Are there now in effect any secret orders in council (i.e., regulations or classes of regulations exempted from the requirement that they be made public as required by section 3, section 4, subsection (1) of section 6, and section 7 of the Regulations Act)?
2. If so, how many, and what are the numbers and dates of the orders in council exempting such regulations from the requirements noted above?

Answer by: **Mr. Diefenbaker:**

There are no secret orders in council. Certain orders only, mainly comprising regulations covered by the Regulations Act, are required to be published. Other orders are listed in the summary of orders in council regularly tabled in parliament. All orders are produced in parliament on demand excepting for certain orders relating to mutual aid transfers to allied countries, which as a matter of courtesy and security to allied governments are shown on a private basis to members wishing to see them.

There are many orders exempted from publication under the Regulations Act which are regularly published in other forms that are more convenient to those normally using them.

The exemptions under the Regulations Act are provided by order in council P.C. 1954-1787 of 18th November, 1954, and can be found in the statutory orders and regulations consolidation, 1955, volume 3, page 2676.

COMBINES—HEARINGS AND REPORT ON DRUGS

Question No. 146—**Mr. Howard:**

1. Has the restrictive trade practices commission held any (a) public and (b) private hearings, with respect to the inquiry under section 42 of the Combines Investigation Act relating to the manufacture, distribution and sale of drugs; and, if so, upon what dates, and in what locales were these hearings?

2. Are any further hearings contemplated and, if so, when and where?

3. Upon what date did the commission commence its preparations for a report to the Minister of Justice?

4. Has the commission engaged the services of anyone (a) inside, and (b) outside the public service of Canada for the preparation of such a report; and, if so, what is the name and address of each such person, the amount of his remuneration both total and particular, the amount of time in terms of days that he has spent in working for the commission on the said report, and type of service which he performed?

5. What length of time is it estimated will be required before the said report is ready to be transmitted to the Minister of Justice?

Answer by: **Mr. Bell (Saint John-Albert):**

1.(a) Yes.

Date 1961	Place
July 4-6	Ottawa, Ontario
July 10-11	Halifax, Nova Scotia
July 17-18	Winnipeg, Manitoba
July 20	Regina, Saskatchewan
July 24	Edmonton, Alberta
July 27	Calgary, Alberta
July 31	Vancouver, British Columbia
August 3	Victoria, British Columbia
October 2	Montreal, Quebec
October 16-20 and October 23-27	Toronto, Ontario
November 28-29	Ottawa, Ontario

(b) No.

2. This will be a matter to be decided by the commission as it is constituted after the expiration of the terms of the chairman and Mr. Whiteley at the end of October 1962 and no answer can be made at this time.

3. Following the receipt in December 1961 of complete transcript of the hearings referred to in 1(a) above, a study was commenced of the evidence and argument. This work necessarily proceeded concurrently with that in other inquiries.

4. (a) No. (b) No.

5. The submission of a report will be a matter to be decided by the commission as it is constituted after the expiration of the terms of the chairman and Mr. Whiteley and it is therefore not possible to make an estimate at this time.

COMBINES—REPORTS ON ARGUS CORPORATION

Question No. 149—**Mr. Howard:**

1. Since January 1, 1950, has the restrictive trade practices commission reported on the Argus Corporation or any of its subsidiaries and, if so, with respect to each such report by name, what was (a) the name and address of each company (b) the nature of the recommendations relating to each company and (c) the results of any litigation, other court action, or government action, arising out of each such recommendation?

2. Was one M. W. McCutcheon a director or officer of any of the said companies at the time any such report was made?

Answer by: **Mr. Bell (Saint John-Albert):**

1. (a) The restrictive trade practices commission has not made any report on the Argus Corporation. The Argus Corporation is reported to be a specialized investment company which has held stock in a number of Canadian companies. While the recent report of the commission concerning the manufacture, distribution and sale of paperboard shipping containers and related products made a brief reference to the relationship between one company and Argus Corporation, in no instance have companies concerned in inquiries been investigated from the point of view of their relationship with that corporation. The extent of the stockholdings of Argus Corporation, therefore, has not been the subject of a published report by the commission, so that it is not possible on the basis of reports of the commission to state whether particular companies referred to therein have been subsidiaries.

(b) Answered by 1(a) above.

(c) Answered by 1(a) above.

2. Answered by 1(a) above.

INSTITUTE OF PUBLIC ADMINISTRATION

Question No. 151—**Mr. Badanai:**

1. Does the institute of public administration of Canada hold a charter by virtue of a federal statute?

2. If so, (a) has a recent application for supplementary letters patent to effect a change in the constitution of the institute been made (b) have the supplementary letter patent been granted and, if not, for what reason was it refused?

Answer by: **Mr. Halpenny:**

1. Yes.

2. (a) Yes. (b) No; application is being held in abeyance at the request of the officials of the association.

GOLD AND EXCHANGE RESERVES

Question No. 152—**Mr. Gordon:**

1. During the month of June 1962, was there $179 million of support for the Canadian dollar, from sources outside the country, which has not been disclosed?

2. If not, what accounts for the difference between the figures shown in the official statements of our gold and exchange reserves (as published monthly)

and the figures for deliveries from the exchange fund which were given to this house by the Prime Minister on October 2?

Answer by: **Mr. Grafftey:**

1. No.

2. Other transactions, to which attention was drawn by the Prime Minister on October 2, including the proceeds of sales of foreign exchange for future delivery.

*NAVAL AMMUNITION DEPOTS—STAND-BY PAY

Question No. 153—**Mr. McWilliam:**

Has the government given consideration to the grievance raised over the system of stand-by duties and pay practices, related thereto, of civilian duty officers at Canada's naval ammunition depots and, if so, has a decision been reached?

Mr. Harkness: Yes. The official publication "Canadian Naval Armament Services Instructions" is being amended to reduce the requirement for duty officers to stand long periods of duty in Canadian naval ammunition depots. This decision can be implemented only after the necessary pay provisions have been approved, and such approval is now being sought.

*GRAVEL TENDERS—MINIMUM RATE CLAUSE

Question No. 154—**Mr. McWilliam:**

Has the government given consideration to the inclusion of a minimum rate clause in federal government, or federal crown company, public tenders, at rates now established by respective provincial governments as it appertains to the trucking of gravel, or like material, by individually owned trucks engaged by the prime contractor, or subcontractor and, if so, what decision has been reached?

Mr. Grafftey: The answer to the first part of the question is yes.

The answer to the second part is that there has been no decision to change the present contractual arrangements.

*MIRAMICHI RIVER NAVIGATION IMPROVEMENTS

Question No. 155—**Mr. McWilliam:**

Have surveys been made toward the improvement of the channel depth of the Miramichi river, New Brunswick, and for harbour and wharf improvements at Newcastle and Chatham and, if so, what are the results of these surveys?

Mr. McCleave: Not as yet, but a survey of the Miramichi river has been arranged and is expected to commence this fall. No surveys are planned at this time for Newcastle and Chatham.

*WINTER WORKS IN UNORGANIZED PARISHES

Question No. 157—**Mr. Laprise:**

Will the Department of Labour make arrangements this fall, under the winter works program, to assist parishes which are not organized as municipalities and are not looked after by county councils?

[Mr. Gordon.]

Mr. Hales: The authority under the municipal winter works incentive program for the coming winter to include qualified projects carried out in unorganized settlements applies to settlements in areas where there is no form of local government. Projects undertaken within the boundaries of a city, town, village, township, county, parish or other form of local government, must be carried out by or under the sponsorship of the appropriate local authority, which in this case would be the county councils. Such projects must be publicly owned and available for public use.

CORNWALL HARBOUR DREDGING

Question No. 158—**Mr. Lamoureux:**

Is it the intention of the Department of Public Works to dredge the turning basin and the approach channel at Cornwall harbour from the present depth of 22 feet to the minimum of 27 feet provided in the main St. Lawrence seaway channel and, if so, when will this work be undertaken?

Answer by: **Mr. McCleave:**

Not at the present time. Consideration will be given to dredging the turning basin and approach channel when sufficient traffic is indicated to warrant the expense.

FARM LOAN APPLICATIONS, STORMONT COUNTY

Question No. 159—**Mr. Lamoureux:**

1. How many applications were made to the farm credit corporation during the year ended March 31, 1962, on the security of farm lands in the county of Stormont?

2. Of the applications made during that period, how many were approved?

Answer by: **Mr. Hamilton:**

1. 14.

2. 13.

*RETROACTIVE CIVIL SERVICE SALARY ADJUSTMENTS

Question No. 161—**Mr. Ryan:**

Is the salary adjustment effective date, namely October 1, 1961, for group B of approximately 50,000 civil servants, protected by the government in respect to retroactivity?

Mr. Grafftey: No decision has been taken by the government up to this time to amend or alter the principle established for retroactivity.

*PLANT EXPANSION RESULTING FROM TARIFF SURCHARGES

Question No. 164—**Mr. Addison:**

Has the Department of Trade and Commerce been in consultation with representatives of businesses in regard to the effect on plant expansion that might take place as a result of the surcharges provided in the orders in council of June 1962, and, if so, has any advice been given to representatives of businesses in order to assist them in making adjustments when the surcharges are removed?

Mr. Nesbitt: In announcing the import charges June 24, the Prime Minister indicated

quite clearly they will remain in effect only as long as necessary to deal with the balance of payments problem. The temporary aspect of the import surcharges has been confirmed by both the Prime Minister and the Minister of Finance. Officials of the Department of Trade and Commerce have brought these statements to the attention of businessmen who have inquired about the status of the surcharges, and have made them aware of government policy when considering expansion plans.

NATIONAL DEFENCE EXPENDITURE REDUCTIONS

Question No. 165—**Mr. Matheson:**

What austerity measures are being implemented in the Department of National Defence in order to reduce expenditures in the current fiscal year?

Answer by: **Mr. Harkness:**

In conformity with the reasons given by the Prime Minister, the program to reduce expenditures in the fiscal year 1962-63 for the Department of National Defence was outlined in a statement issued by the Minister of National Defence, August 24, 1962. Copies of this statement are available.

CANSO CAUSEWAY TOLLS

Question No. 166—**Mr. MacEachen:**

1. Are the tolls presently collected on the Canso causeway provided for in any agreement between the provincial and federal governments and, if so, what is the term of the agreement?

2. Does any such agreement prevent the provincial government from ceasing the collection of tolls if it so wished?

Answer by: **Mr. McBain:**

1. The agreement between the federal government and the government of the province of Nova Scotia authorized the province, if it so desired, to levy tolls on the highway portion of the causeway. The agreement continues in force and effect for 21 years and thereafter from year to year until terminated by either of the parties thereto by a twelve months' notice in writing to the other.

2. See answer to No. 1.

H.M.C.S. "ST. LAURENT"

Question No. 171—**Mr. Herridge:**

What have been the activities of H.M.C.S. *St. Laurent* since August 1, 1962, and what is planned for this ship until December 31, 1963?

Answer by: **Mr. Harkness:**

H.M.C.S. *St. Laurent* was in service with the R.C.N. Pacific fleet until September 1, 1962 when normal refit commenced at H.M.C. *Dockyard* Esquimalt. On October 26 the ship will proceed to Burrard dry dock, Vancouver for major alteration to take ASW helicopters. It is expected that this work will be completed August 1, 1963. The ship will then return to Esquimalt where equipment removed for overhaul during the refit will be replaced. Following this, the ship will undergo trials and work-ups until December 31, 1963.

AUTOMOTIVE PARTS IMPORTED FROM U.S.

Question No. 173—**Mr. Martin (Essex East):**

1. What was the value of automotive parts, imported from the United States, for the year 1961?

2. What amount in dollars of such imports was dutiable?

3. What amount in dollars entered Canada duty free?

4. What percentage of the dollar value of imported parts entered Canada duty free?

Answer by: **Mr. Nesbitt:**

1. $292,043,915 (import classes 5646, 5648, 5649, 5650)

2. $93,450,454.

3. $198,593,461.

4. 68 per cent.

RESTORATION OF HOG PREMIUM

Question No. 184—**Mr. Honey:**

With reference to the statement of the Minister of Agriculture in the house on October 3, 1962, at page 149 of *Hansard*, concerning the reduction in premiums on grade "A" hogs, has the government given consideration to the restoration of this premium to its former level and, (a) if so, what is the anticipated date of restoration and, (b) if not, will the minister give early consideration to the restoration of the premium?

Answer by: **Mr. Hamilton:**

(a) The question of the restoration of hog premiums has not as yet been considered by the government.

(b) The level of hog premiums is a subject of continuing review and consideration.

REPRESENTATIONS RESPECTING RUSSIAN FISHING BASE IN CUBA

Question No. 186—**Mr. Morris:**

Have any representations been made to the Soviet Union or Cuba concerning the announced intention by the former to build a $12,000,000 fishing port in the latter to service the Soviet fishing fleet in the North Atlantic and, if so, what is the nature of the representations?

Answer by: **Mr. Green:**

No representations have been made.

CARNATION COMPANY—COMBINES PROCEEDINGS

Question No. 189—**Mr. Bernier:**

1. Following the report made by a commission established in 1960 to inquire into the restrictive trade practices employed in the manufacture, distribution and sale of evaporated milk and allied products, was the Carnation Company found guilty of restrictive trade practices?

2. If so, does the government intend to commence proceedings under the Combines Investigation Act against the Carnation Company?

Answer by: **Mr. Bell (Saint John-Albert):**

1. No.

Questions

2. Following receipt of the report of the restrictive trade practices commission dated August 28, 1962, the matter has been referred to counsel for an opinion as to whether prosecution or other proceedings are warranted.

APPLICATIONS FOR BAIT FREEZER GRANTS, N.B.

Question No. 197—**Mr. Robichaud:**

Was any application received for grants on bait freezers in the province of New Brunswick since January 1, 1961, and if so (a) what was the total number of applications received (b) how many applications were approved, and what was the total amount paid?

Answer by: **Mr. MacLean:**

Yes. (a) 1. (b) None.

PORK SUBSIDY PAYMENTS, 1962

Question No. 198—**Mr. Robichaud:**

What was the total amount paid in each province under the program for subsidy on pork for the year ended March 31, 1962?

Answer by: **Mr. Hamilton:**

Premium paid on A grade hogs by province or origin, April 1, 1961 to March 31, 1962:

British Columbia	30,645
Alberta	1,451,376
Saskatchewan	589,160
Manitoba	450,963
Ontario	2,334,612
Quebec	1,095,549
New Brunswick	57,612
Nova Scotia	76,614
Prince Edward Island	120,471
Total	6,207,002

Agricultural stabilization board payments on pork—nil.

PERSONAL HISTORY FORM

Question No. 206—**Mr. Knowles:**

1. Has a personal history form, including questions of a personal nature, questions regarding racial origin, questions about parents and other relatives, been circulated among federal civil servants in Winnipeg at any time since August 1, 1962?

2. Has this form been circulated among federal civil servants in any other places in Canada?

3. Who authorized or approved the circulation of this form?

4. Are federal civil servants required to complete this form and, if so, by what authority?

5. Has this form been examined in the light of (a) the Canadian Bill of Rights and (b) the Canada Fair Employment Practices Act?

Answer by: **Mr. Diefenbaker:**

1, 2, 3 and 4. The form referred to is one used by departments of government in accordance with directives by the government in 1948, 1952 and 1955 to secure the information necessary for security investigations of employees being given access to classified information. A recent review of the use of this form has led to the conclusion that some of the information sought, particularly that concerning racial origin, is not necessary. A new form is therefore being prepared at present and will be reviewed by the government in the near future.

5. Yes.

INCOME TAX ON HOME MORTGAGE INTEREST

Question No. 208—**Mr. Mather:**

1. Is the government aware of the policy in force in the United States whereby the interest portion of home mortgage payments is exempt from income taxation?

2. Will the government consider implementing a similar policy in Canada?

Answer by: **Mr. Grafftey:**

1. Yes, the government is aware of the policy in the United States to which the question refers.

2. This is a budgetary matter and, along with other recommendations which have been received, will be given due consideration in that connection.

*FARM LOAN APPLICATIONS, CHAMBLY-ROUVILLE, QUE.

Question No. 212—**Mr. Pilon:**

1. How many applications for farm loans have been made in the county of Chambly-Rouville from 1958 to 1962?

2. What are the names of the applicants, and the amounts of the loans granted?

3. How many applications were turned down? (Giving the names of the applicants and the reasons for such refusals).

Mr. Jorgenson:

1. 24.

2. Because of the confidential nature of the Farm Credit Corporation's business dealings with individual farmers, it is not considered in the public interest to divulge the names of applicants and borrowers. However, loans have been approved in the following amounts: $8,250; $10,400; $10,000; $20,000; $13,000; $9,000; $20,000; $11,000; $25,000; $20,000; $27,500; $3,000; $14,100; $27,500; $12,700; $22,000 and $27,500 for a total of $280,950.

3. 7—with regard to the names of the applicants, see 2 above. Three applications were declined because, in the judgment of the corporation, the applicants would not have sufficient revenue after paying operating, maintenance and living costs to repay the loans. Two applications were declined because the applicants did not have sufficient equity in the proposed farming enterprise; and two applications were declined due to excessive debts of the applicants.

QUESTIONS PASSED AS ORDERS FOR RETURNS

STUDIES OF EFFECTS OF INSECTICIDES

Question No. 2—**Mr. Knowles:**

1. Are any departments of the federal government making surveys or studies of the effects upon animals, fish, and birds of insecticide spraying and, if so, what departments are making such surveys or studies?

2. What results have been obtained from such surveys or studies, and are there available any reports or documents containing such results?

3. What powers are possessed by the government for the control or regulation of insecticide spraying, and in what ways, and to what extent, are such powers being used?

REVELSTOKE NATIONAL PARK—STAFF, CONSTRUCTION, CARS, ETC.

Question No. 3—**Mr. Herridge:**

1. What are the names, annual salaries, and expenses of the superintendent and administrative staff of Revelstoke national park for the fiscal year 1960-61?

2. Were houses built for the superintendent and administrative staff; and, if so (a) what is their number (b) what is the average size in floor space (c) what was their average cost per square foot of floor space (d) what was the cost of landscaping per house (e) what was the cost in the fiscal year 1960-61 of providing for each house: (i) oil (ii) coal (iii) wood (iv) gas (v) light and water? (Answers for (b) to (e) are required broken down into (1) superintendent (2) other administrative staff).

3. What is the size of the paving blocks from the superintendent's house to the street, and what was the cost per block?

4. How many passenger cars and other vehicles were used by the superintendent and staff in Revelstoke park in the fiscal year 1960-61?

5. What was the cost of operation per vehicle in the fiscal year 1960-61?

6. What were the regulations for use of vehicles by the staff in off-duty hours in the fiscal year 1960-61?

7. What was the inventory of the road and other machinery located and used at Revelstoke park in the fiscal year 1960-61?

8. What was the cost of repairs and fuel for these vehicles for operation of the machinery during the fiscal year 1960-61?

9. Have any of the park employees been employed on projects undertaken by contracts in the fiscal year 1960-61?

CANADIAN INVESTMENT IN JAMAICA

Question No. 9—**Mr. Herridge:**

Have any requests been received from the Jamaican government for increased Canadian investment in Jamaica and, if so, what answer has been given, and what encouragement, if any, has the government offered to private investors?

AIR DEFENCE EXERCISE, LABOUR DAY

Question No. 11—**Mr. Herridge:**

Was an alleged air defence exercise held on Labour Day, September 3, 1962, and, if so, (a) why was this date chosen (b) have any protests been received concerning the choice of the date or about the exercise itself and, if so, (i) from whom (ii) what was their nature (iii) what were the government's replies (c) what was the strength of the exercise attack force in (i) bombers, real or simulated (ii) simulated ICBMs (iii) simulated missiles fired from submarines (d) how many simulated bombs, ICBMs, and submarine missiles were reckoned to have (i) exploded on target (ii) exploded off target (iii) been destroyed without harm to North America?

Mr. Hales: Order for return.

Mr. Pickersgill: This is a starred question.

Mr. Speaker: Insofar as a starred question is concerned, it was settled during the time of my predecessor that, notwithstanding the fact that a starred question appeared on the order paper, it was in order to have it made an order for return.

DIRECTORSHIPS OF CABINET MINISTERS

Question No. 15—**Mr. Knowles:**

1. Are any cabinet ministers directors of any companies, corporations, etc., and, if so, which ministers, of what companies or corporations are they directors, and at what date were any directorships presently held by such cabinet ministers assumed?

2. Have any cabinet ministers resigned any directorships since being sworn of the privy council and, if so, which ministers, on what dates, and from what companies or corporations?

HOSPITAL EMPLOYEES, WORKING HOURS, ETC.

Question No. 17—**Mr. Macnaughton:**

1. What is the annual wage bill for all hospital employees in Canada (a) general hospitals (b) mental hospitals?

2. What is the total number of employees working in hospitals in Canada (a) general hospitals (b) mental hospitals?

3. What is the number of employees per bed working in hospitals in Canada (a) general hospitals (b) mental hospitals?

4. What was the estimated amount being spent in 1959, 1960, and 1961, on the construction of hospitals (a) general hospitals (b) mental hospitals; and, how much of this was contributed by the federal government?

5. How does the average hourly rate for general employees in hospitals compare with the average hourly rate in the transportation industry, the primary and secondary industries?

6. What is the comparison of wages paid to (a) nurses (b) social workers (c) psychologists (d) nursing assistants (e) cleaners (f) kitchen staff, in federal hospitals as compared with community hospitals?

*HAWKER SIDDELEY LTD., N.S.—FEDERAL ASSISTANCE FOR COAL OPERATIONS

Question No. 20—**Mr. MacInnis:**

Did the federal government of Canada offer any financial assistance to Hawker Siddeley of Canada Limited, or to any of its branches or subsidiaries, with a view to the company continuing further operations at No. 16 colliery in New Waterford and, if so, what was the amount of the assistance offered by the government to this corporation?

*HAWKER SIDDELEY LTD., N.S.—CLOSURE OF NO. 16 COLLIERY

Question No. 21—**Mr. MacInnis:**

Did representatives of Hawker Siddeley of Canada Limited, or representatives of any subsidiary or

branch of this corporation, ask the government of Canada for financial assistance in order to forestall the recent closure of No. 16 colliery in New Waterford and, if so, how much assistance was the company seeking from the federal government?

*AMALGAMATION OF T.C.A. AND C.P.A.

Question No. 27—**Mr. Fisher:**

Has the Minister of Transport or any other minister made any public statements since April 19, 1962, on the subject of an amalgamation or co-working Trans-Canada Air Lines and Canadian Pacific Airlines and, if so, when, where, and to what general effect?

CONSTRUCTION PROJECTS CANCELLED OR POSTPONED

Question No. 37—**Mr. Knowles:**

1. Since June 18, 1962, how many construction projects have been (a) cancelled, or (b) postponed, by the federal government or by any department or agency thereof?
2. Where was each such project to have been constructed? What was the estimated cost of each such project?
3. Have any construction projects which were cancelled or postponed subsequent to June 18, 1962, been reinstated? If so, which ones, what is their location, and their estimated cost?

*CANADIAN SHIPS IN RUSSIA-CUBA TRADE

Question No. 51—**Mr. Chevrier:**

1. How many deep sea vessels flying the British flag are still owned by Canadian residents?
2. Are these ships considered as a Canadian contribution to any allied shipping pool arrangement that may be set up in an emergency?
3. How many of these vessels have been trading between ports of the Soviet Union and Cuba?
4. Do the owners of these ships or any companies owning them pay income tax to the federal treasury?

*C.B.C. BUILDINGS, MONTREAL

Question No. 63—**Mr. Rinfret:**

1. Have the city of Montreal, the Canadian Broadcasting Corporation, and the Central Mortgage and Housing Corporation accepted the plan for the C.B.C. buildings to be erected in Montreal between Papineau, Dorchester, Craig, and Amherst streets?
2. Was the said plan submitted to the government, and on what date?
3. Will the proprietors, tenants, merchants, and industrialists of this area be informed in the near future of the government's decision with respect thereto?
4. What period of time will be given to the residents of this area for eviction purposes?

*NATIONAL PARKS, N.S.—PAY INCREASES

Question No. 69—**Mr. MacEachen:**

1. Has a pay increase been authorized for employees at Cape Breton Highlands park and at the national park at Louisbourg?
2. If so, what is (a) the new rate (b) the former rate, for each classification for which an increase was authorized?
3. What accounts for the difference, if any, in the increase authorized for the employees as between the two parks?

[Mr. MacInnis.]

*COST OF DAWSON CITY FESTIVAL

Question No. 71—**Mr. McMillan:**

1. What were the total costs to the federal treasury for the Dawson city festival including (a) grants to the festival (b) the cost of reconstruction and renovation of all such buildings as the mortuary, two old saloons, and Arizona Charlie's Palace Grand, and (c) all other federal expenses connected with the festival, including the cost of the dedication ceremonies, etc.?
2. Did the governments of the Northwest Territories and the Yukon Territory make any contributions in connection with the preparation and holding of the festival? If so, how much?

*EXPENDITURES ON CAUSES AND CURES OF ALCOHOLISM

Question No. 77—**Mr. Prittie:**

1. Does the federal government spend money directly or indirectly on research into the causes of and cures for alcoholism?
2. If so, what agencies receive these moneys, and what amounts were allocated for this purpose in 1960, 1961 and 1962?

NEW WESTMINSTER—CONSTRUCTION PROJECTS CANCELLED

Question No. 78—**Mr. Mather:**

Since June 17, 1962, what construction projects have been (a) cancelled, or (b) postponed, in New Westminster constituency areas including Langley, Surrey and Delta municipalities, New Westminster, Langley and White Rock cities; and, what is the estimated cost of the (a) cancelled or (b) postponed projects?

*FEDERAL APPOINTMENTS OF DEFEATED CANDIDATES

Question No. 90—**Mr. Knowles:**

1. How many persons who were candidates in the federal election of June 18, 1962, and were defeated, have since that date been appointed by the federal government to positions to which emoluments are attached?
2. What are the names of all such persons?
3. What are their positions, and what are their emoluments?

Mr. Bell (Carleton): Order for return.

Mr. Knowles: Is this list too long to give to the house? Surely it is just a short list.

Mr. Harkness: You are out of order.

Mr. Knowles: On a point of order, what is the reason for asking that this be made an order for return?

Mr. Speaker: The minister who replies has the prerogative of indicating whether a question will be answered or made an order for return.

Mr. Pickersgill: I should like to say a word on the point of order which was raised by the hon. member for Winnipeg North Centre. This afternoon there has obviously been a systematic attempt on the part of ministers to make orders for returns of embarrassing starred questions, including this one.

Some hon. Members: Order.

Mr. Pickersgill: I suggest that the privileges of all hon. members who are not in the ministry are involved in this practice. Hon. members have the right to put starred questions on the order paper because they want to draw attention to the activities of the government, which is responsible to this house, and it seems to me that the circumventing of the rules which is going on at the present time should be protested.

An hon. Member: Defying the Speaker.

Mr. Speaker: In reply to the question raised by the hon. member for Winnipeg North Centre and the subsequent comment by the hon. member for Bonavista-Twillingate, may I refer to *Hansard* of Thursday, February 26, 1959 when Mr. Speaker Michener, before calling orders of the day, sought to clarify a point on which he had made a ruling on the previous day. I now refer to this ruling. He said:

> At the foot of page 1367, the first column, I commented on the procedure in asking that written or starred questions be made orders for returns, and I think I incorrectly stated the effect of the rule—incidentally the rule is No. 39, clause 5—when I said:
>
> > It is so ordered, then, that this question be made an order for return. Consent of the house is not necessary.
>
> The rule, as hon. members will see, says that the minister having expressed a willingness to lay a return upon the table, his statement shall, unless otherwise ordered by the house, be deemed an order of the house. I did not want the record to be erroneous in the conclusion as to the effect of rule 39.
>
> Another point on the same rule was raised by the hon. member for Laurier, who suggested that a starred question could not be made an order for return under this rule. I find I was correct in rejecting that view. The authority for so doing is the report of the special committee appointed to consider with Mr. Speaker the procedure of the House of Commons. Their report, dated Tuesday, June 14, 1955, which was accepted by the house, states that clause 5 of rule 39 contains a consequential amendment in respect of questions, starred and unstarred, passed as orders for returns. This would clear up that point.

An hon. Member: A lot of hot air.

Some hon. Members: Hear, hear.

An hon. Member: It was all a lot of hot air.

Mr. Pickersgill: Concealing the record.

Mr. Churchill: On a question of privilege, we have just had an interruption from the hon. member for Bonavista-Twillingate accusing us of concealing the record. Earlier he said there was a deliberate attempt—a systematic attempt—to circumvent the rule. Your Honour has just disclosed that the rule has been observed by the members on the government side. I would therefore ask the hon. member for Bonavista-Twillingate to withdraw his statement.

Mr. Speaker: I would hope that the hon. gentleman did not deliberately mean that the government—

Some hon. Members: Yes, he did.

Mr. Fleming (Eglinton): He said "systematically".

Mr. Speaker: —was concealing the record. If I am correct in that—and I would like his assurance in that regard—I think we could proceed. The matter is quite clear. This rule was passed in the year 1955 or thereabouts and we have a ruling as of 1959, which is of comparatively recent date. I asked the hon. member for his assurance that he did not deliberately—

Mr. Pickersgill: I am sorry, sir, but I cannot hear.

Mr. Speaker: I trust the hon. member did not imply by his remarks, which we know were made in free exchange in this house, that the government was deliberately withholding information from this house.

Mr. Pickersgill: Mr. Speaker, I made no imputation against any individual member of the house. As I understand the rules, it is perfectly in order for a member of the opposition to imply that the government collectively has concealed things, as was done on January 20, 1958 by the right hon. gentleman who now leads this house.

Mr. Speaker: I would point out to the hon. member that it is not within the privileges or rights of members of this house under the rules to comment on the nature of an answer that is given to a question. We shall leave it at that.

*DISPOSAL OF RADIOACTIVE WASTE

Question No. 108—**Mr. Herridge:**

1. Was there a meeting in Ottawa in the summer of 1962 concerning the disposal of radioactive wastes, including disposal in the ocean and, if so, what were its findings?
2. Has the government considered the report of the ad hoc panel of the international atomic energy agency with regard to disposal of radioactive wastes?
3. Has the government any knowledge as to whether any dumping of radioactive wastes has taken place at a dumping site 150 to 200 miles south of Yarmouth during 1960 or to date and, if so, is this site still considered a possible dumping area by the U.S. atomic energy commission?
4. Has the government any knowledge of the official views of Britain, France, and the U.S.S.R. with regard to disposal of radioactive wastes in the ocean and, if so, what are they?

*UNEMPLOYMENT INSURANCE BENEFITS TO CANADIAN LUMBERMEN IN MAINE

Question No. 114—**Mr. Cook:**

What stage has been reached in the negotiations towards making Canadian lumbermen, who have

worked in the state of Maine, eligible for unemployment insurance benefits when they are out of work?

Mr. Hales: Tabled herewith.

GEORGE M. HUMPHREY—REQUEST FOR INFORMATION BY U.S. COMMITTEE

Question No. 120—**Mr. Fisher:**

1. Has the government received any requests for information or assistance from the U.S. senate armed services committee or one of its subcommittees about the operations in Canada of Mr. George M. Humphrey in the mining and metal industry or about any of the companies operating in Canada with which Mr. Humphrey is associated as an official or director?
2. If so, what response has it made?

MILITARY FORCE TO FIGHT FOREST FIRES

Question No. 123—**Mr. Fisher:**

1. What steps, if any, has the government taken to develop, in the various arms of the Canadian military, a trained and equipped force to battle forest fires in Canada?
2. In brief form, what are the requirements in terms of request and seriousness of the situation before such a force is brought into action?
3. What system of cost sharing or payment has been worked out to cover the use of such a force within a provincial jurisdiction?

*GOVERNMENT BORROWINGS SINCE JUNE, 1962

Question No. 132—**Mr. Cote:**

What is the amount borrowed by the Canadian government since June 18, 1962, including treasury bills, bond issues, loans from commercial banks and sources outside Canada, together with the average interest rate?

Mr. Grafftey: Return tabled.

*BUTTER SALES, EXPORTS AND STORAGE COSTS

Question No. 136—**Mr. Pennell:**

1. What volume of butter oil and/or butter stock was sold in the period January 1 to September 1, 1962?
2. How much butter oil or butter stock is now held in storage, and what is its approximate value?
3. What has been the total storage cost for butter oil and/or butter stock in (a) 1958 (b) 1959 (c) 1960 (d) 1961 (e) 1962?
4. What was the volume of butter oil and/or butter stock exported in (a) 1958 (b) 1959 (c) 1960 (d) 1961 (e) 1962?
5. To what country was the largest volume exported?
6. What three countries were the largest importers of our butter stock?

He said: In view of the answer given to question No. 109, Mr. Speaker, I would ask leave to withdraw this question save part 3.

Mr. Halpenny: Order for return with regard to part 3.

Mr. Speaker: Order for return as to part 3. The remainder of the question is withdrawn.

[Mr. Cook.]

ECONOMIC ASSISTANCE TO SOUTH AMERICA

Question No. 148—**Mr. Barnett:**

1. Is any economic assistance to the countries of South America being provided by the government of Canada, either directly or indirectly, through agencies of the United Nations or otherwise?
2. If so, to what countries is this economic assistance being provided, in what amounts, and for what periods?
3. Through what department or departments of the federal government is any such assistance being provided?
4. If assistance is being provided indirectly through agencies of the United Nations or otherwise, through what agencies, to what countries, and in what amounts?
5. If assistance is being provided for specific projects, what are those projects and for the benefit of what countries?

*PARENT, QUE.—PAVING AND SEWER CONSTRUCTION

Question No. 156—**Mr. Laprise:**

1. Did the Department of National Defence pay the full cost of the one mile paving and sewer construction on Main and St. Andrew streets in the municipality of Parent, which was awarded to Paquin Construction Company, Limited of Val d'Or, Quebec, during 1959?
2. If not, what percentage of the cost was paid by the department, and who was responsible for payment of the remainder?
3. Have any claims been received by the department from any resident of Parent for damages caused by the installation of the sewer?

Mr. Sevigny: Return tabled.

*A. S. WHITELEY

Question No. 162—**Mr. Lewis:**

1. When did Mr. A. S. Whiteley first join the civil service and in what capacity, and what positions did he hold from that date until appointed a member of the restrictive trade practices commission, with particular reference to his services in connection with the price spreads inquiry, the royal commission on the textile industry, the combines investigation commission, and the wartime prices and trade board?
2. Has Mr. A. S. Whiteley represented Canada at any international conferences or other meetings and, more particularly, in connection with restrictive business or trade practices, and, if so, what were such conferences or meetings and the dates thereof?

Mr. Bell (Saint John-Albert): Return tabled.

*U.S. TRADE EXPANSION ACT

Question No. 163—**Mr. Addison:**

Has the government or any of its officials engaged in discussion with the United States government with respect to the possible effect of the United States trade expansion act on Canadian trade and, if so, what Canadian officials have taken part and when were these discussions held?

U.S. FRUITS AND VEGETABLES IMPORTED INTO B.C.

Question No. 174—**Mr. Mather:**

1. In connection with the import of fruits and vegetables from the United States into British

Columbia, what volume in millions of pounds of the following produce was imported during 1961 and to date in 1962: (a) apples (fresh) (b) peaches (fresh) (c) tomatoes (fresh) (d) strawberries (fresh) (e) carrots (f) onions (g) potatoes (h) tomatoes (canned)?

2. How many processing and canning plants in the Okanagan area of British Columbia in the past ten years have been bought out by United States firms and closed down?

EXPORTS AND DELIVERIES OF GRAIN

Question No. 175—**Mr. Cantin:**

1. What quantities of grains have been exported through each of the harbours of Vancouver-New Westminster, Victoria, Prince Rupert, Churchill, Fort William-Port Arthur, Toronto, Kingston, Montreal, Sorel, Trois-Rivières, Quebec, Baie Comeau, Saint John, West Saint John, and Halifax, for the crop year 1960-61 for (a) wheat (b) oats (c) barley (d) rye (e) flax (f) total?

2. What quantities of the above grains have been delivered for domestic use, during each of the eleven crop years from 1950-51 to 1960-61 inclusive (a) in each of the said harbours (b) in each of the other places in Canada not included above?

PUBLIC SERVICE LAY-OFFS OR DISMISSALS

Question No. 204—**Mr. McWilliam:**

Have any employees of the different departments of government and crown companies been temporarily laid off or dismissed since June 1, 1962, and, if so, what number in each department, and in each crown corporation?

*REDUCTIONS IN 1962-63 ESTIMATES

Question No. 218—**Mr. Pickersgill:**

1. Was any decision made before June 18, 1962, to reduce any of the regular estimates for the fiscal year 1962-63 laid before the last parliament and, if so, on what date was such a decision made, and what total sum was involved?

2. Was the national research council asked to make any reduction in its estimates?

*ARMED FORCES—COST AND PENSIONS

Question No. 220—**Mr. Ouellet:**

1. What is the annual cost of all our armed forces serving in Canada and outside Canada?

2. What annual amount is paid for pensions to veterans of the first world war, and to widows and dependants of servicemen of the second world war?

FEDERAL, PROVINCIAL AND OTHER DEBTS

Question No. 222—**Mr. Ouellet:**

1. What is the amount of the gross national debt?
2. What is the amount owed by the provinces?
3. What is the amount owed by the Canadian cities and municipalities?
4. What is the amount owed by all the school boards of this country?
5. What is the amount owed by the private individuals of this country to the finance corporations?

GLOUCESTER COUNTY, N.B.—RECIPIENTS OF ASSISTANCE AND UNEMPLOYED

Question No. 225—**Mr. Robichaud:**

1. As of March 31, 1962, in Gloucester county, N.B. (a) what was the total number of persons receiving social assistance benefits (b) what was the total number of recipients of unemployment insurance benefits (c) what was the total number of persons registered as unemployed?

2. As of August 31, 1962, in Gloucester county, N.B. (a) what was the total number of persons receiving social assistance benefits (b) what was the total number of recipients of unemployment insurance benefits (c) what was the total number of persons registered as unemployed?

DAIRY PRODUCTS—GOVERNMENT PURCHASES, SALES AND GIFTS

Question No. 228—**Mr. Clermont:**

1. In 1962, what have been, each month, the quantities purchased and sold by the government of (a) whole milk in powder form (b) butter (c) cheese?

2. For 1962, have any gifts of dairy products been made to UNICEF or to other welfare groups and, if so (a) what are those products (b) in what quantities?

JOINT FORESTRY PROGRAMS WITH QUEBEC

Question No. 231—**Mr. Clermont:**

Since June 30, 1958, has the government of the province of Quebec made any agreements providing for joint forestry programs with the Department of Forestry, the Department of Agriculture, or the Department of Northern Affairs and National Resources and, if so, what are those joint programs, and what amounts have been paid to the province with respect thereto?

BUTTER PRODUCTION AND CONSUMPTION

Question No. 232—**Mr. Clermont:**

During the first nine months of the years 1961 and 1962 (a) what has been the production of butter in Canada (b) what has been the consumption of butter (c) what amount of premium has the government paid on the said consumption?

LABOUR RELATIONS

SUGGESTED COUNCIL ON LABOUR-MANAGEMENT-GOVERNMENT CO-OPERATION

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): I should like to direct a question to the Minister of Trade and Commerce. Having regard to the report of the labour-management-government mission to Europe indicating the remarkable success of such a tripartite council, will the minister inform the house if the government did consider supporting such a council financed by all three groups, as indicated by a press report last Friday?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, this government has been very interested in the matter and has taken active steps to try to help promote better labour-management-government co-operation within this country. We are continuing to pursue every possible avenue of approach to engender better labour-management-government co-operation for the good of all Canadians.

Inquiries of the Ministry

Mr. Byrne: A supplementary question—

Mr. Martin (Essex East): May I ask a supplementary question of the Minister of Labour?

Mr. Speaker: Order. The hon. member for Kootenay East has a supplementary question.

Mr. Byrne: Would the minister care to comment on the press statement that this council was blocked about 18 months ago?

Mr. Benidickson: By the minister.

Mr. Speaker: Order. I believe the hon. member must realize it is not the practice in this house to ask a minister to comment on this or that press report.

Mr. Byrne: May I ask the minister if the cabinet blocked such a development some 18 months ago?

Mr. Hees: On a number of occasions the government has discussed with representatives of labour and management the best medium through which better management-labour relations could be brought about, and it has always been the considered opinion of this government that the medium through which such better relations can be brought about is the national productivity council.

[*Later:*]

Mr. T. R. Berger (Vancouver-Burrard): Mr. Speaker, may I direct a question to the Minister of Labour, of which I have given him notice. Did the government decline to proceed with the establishment of a permanent council on economic problems, consisting of representatives of labour, management and the government, following a meeting of representatives of labour, management and the government in Ottawa on March 15, 1961 convened at the invitation of the Minister of Trade and Commerce and the Minister of Labour?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the meeting held in Ottawa on March 15, 1961 was called primarily for the purpose of fostering improved relations between government, management and labour and was not for the purpose of establishing a permanent council on economic problems. Neither I nor my colleague have ever opposed or blocked labour-management-government co-operation. On the contrary, we have encouraged and promoted it, as was said a few moments ago.

May I say, in addition, that labour and management are free at all times to meet to iron out their differences and to develop joint steps to deal with their problems.

Hon. Paul Martin (Essex East): A supplementary question, Mr. Speaker. In view of the minister's reply, may I ask him whether the government is now prepared to act upon the well known recommendation made by the government's special commission to Europe which examined into labour-management-government co-operation and recommended that a similar course and plan be pursued in Canada with regard to these three groups?

Mr. Starr: Mr. Speaker, that recommendation is before the government for consideration at the moment.

NATIONAL DEFENCE

ESQUIMALT, B.C.—REGULATIONS RESPECTING POLITICAL ACTIVITIES OF CIVILIAN EMPLOYEES

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): I wish to direct a question to the Minister of National Defence arising out of a communication I received this morning which informs me that there has been posted in the dockyard at Esquimalt, sections of the civilian personnel administrative and accounting manual which prohibit civilian employees from contributing, receiving or in any way dealing with any money for funds for any political party, and prohibits them from engaging in partisan work during elections. I would like the minister to examine these regulations to see if they contravene the bill of rights.

Hon. D. S. Harkness (Minister of National Defence): I am not familiar with the matter, but if I am to understand that these orders are to prohibit solicitation of funds for political purposes at H.M.C. *Dockyard* at Esquimalt, then I would think that is a very wise move.

Mr. Cameron (Nanaimo-Cowichan-The Islands): May I inform the minister that he has not taken my question correctly.

Mr. Speaker: The only matter which the hon. member has raised—

Mr. Cameron (Nanaimo-Cowichan-The Islands): If I may ask a supplementary to the question?

Mr. Speaker: If it is a proper supplementary.

Mr. Cameron (Nanaimo-Cowichan-The Islands): They prohibit any civilian employee from contributing to any funds of any political party, on and off the premises, or taking part in any partisan activity on and off the premises.

Mr. Harkness: I would hesitate to accept the interpretation which the hon. member puts on the orders. However, I shall be glad to have a look taken at them.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. Walter L. Gordon (Davenport): I wish to direct a question to the Minister of Finance. In view of public uncertainty concerning the government's plans for dealing with Canada's long term financial and economic problems, will the minister say if, and if so when, a budget will be presented to this house?

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, a budget will be presented to this house. In the notice of his question which the hon. member sent me he said "a complete budget." I presume by that he means a final budget, and obviously information has to be gathered with respect to the next year before that can be done. But a budget will be brought into the house, and I think I can say it will be introduced at a rather earlier date than has happened in previous years, at least in the years I have been here.

[*Later:*]

Mr. Gordon: In order to clear up any possibility of misunderstanding may I ask the Minister of Finance, if I am correct in interpreting his reply to my last question to mean a budget will not be presented before the Christmas recess?

Mr. Nowlan: Mr. Speaker, I am not in a position to say. I said it will be brought down earlier than before.

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance to clarify the two answers he has given to the hon. member for Davenport. When the minister presents the budget that he referred to will it be a budget presentation of the kind that permits a six day debate, or will it be simply taking the resolutions straight into committee of ways and means?

Mr. Nowlan: Obviously, Mr. Speaker, a complete and full budget will require a six day debate.

TRANSPORT

MARITIMES—ESTABLISHMENT OF SATELLITE TRACKING STATION

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): I wish to direct a question to the Minister of Transport. Can the minister advise the house regarding rumours of the establishment of a satellite tracking centre in the Atlantic provinces?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, negotiations are at present under way with the United States government regarding the possible establishment of a meteorological ground satellite communication centre in the Atlantic provinces. Inasmuch as those negotiations are not yet concluded it is impossible to comment on the press report mentioned.

LABOUR CONDITIONS

BRANTFORD, ONT.—RE-EMPLOYMENT OF WORKERS AT CELANESE PLANT

On the orders of the day:

Mr. J. E. Brown (Brantford): I wish to direct a question to the Minister of Labour. Has the government any plan for the re-employment of the 250 employees thrown out of work by the closing of the Canadian Celanese Limited plant at Brantford, Ontario, announced last week?

Mr. Speaker: Order. I think the hon. member will recognize that his question does not belong on orders of the day, but is more appropriate to the order paper.

TRADE

CLOSING OF OFFICES IN FAR EAST

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of Trade and Commerce. Can the minister inform the house why trade offices in Teheran, Iran and Indonesia are being closed?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, from time to time trade offices in various parts of the world are opened and others closed. They are opened if we believe there is sufficient trade in any area to justify the expense of operating such an office. At such time when it appears that the potential business does not justify the maintenance of an office in a certain area, then in the interests of good economy that office is closed.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wish to raise a point of order with respect to the answer just given

by the Minister of Trade and Commerce. I submit to Your Honour, most respectfully, that if the question about the closing of an office in Persia is in order then surely a question about 250 Canadians being thrown out of work, as asked by the hon. member for Brantford, should also be in order.

Mr. Speaker: In reply to the point of order, it may be pointed out from time to time that various plants are closed for one purpose or another in various parts of the country, and we cannot spend a great deal of time on orders of the day trying to elicit replies about such plants. On the other hand I allowed the question by the hon. member for Fort William because it deals with Canada's external relations and I gave it the benefit of the doubt. It is of some national interest.

BRITISH COLUMBIA

DESIGNATION OF COASTAL REGIONS AS DISASTER AREA

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): I wish to direct a question to the Prime Minister. Has the federal government received any request to declare any section of the British Columbia coast a disaster area and, if so, will he assure the house that such a request will be granted?

Right Hon. J. G. Diefenbaker (Prime Minister): In reply to the first part of the question, no request has been received. While the government has every sympathy for the families who have lost loved ones, and for those who have suffered property damage, the rules in this connection are very clear and definite. They represent principles which have been generally followed throughout the years.

The damage done must be beyond the competence of the provincial or municipal authorities to handle. The financial loss must be of such a magnitude as to be beyond their financial resources, and furthermore an application must be made by the provincial government for assistance. No request has been made and I think I can go no further than simply point out what are the rules in regard to disasters such as that referred to by the hon. gentleman.

[*Later:*]

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Public Works. Would the minister inform the house whether any installations of the federal Department of Public Works were damaged in the recent storms in British Columbia; and if so, what is the nature and extent of the damage?

[Mr. Pickersgill.]

Mr. R. J. McCleave (Parliamentary Secretary to the Minister of Public Works): Mr. Speaker, the Minister of Public Works is currently in British Columbia. The department, following its normal practice, has been receiving reports on the damage which has occurred there. We will not be in a position for a few days to give the full extent of the damage, but a recognized policy of emergency repair will be carried out there, as it is in Nova Scotia and New Brunswick which were recently hit by hurricane Daisy.

IMMIGRATION

HONG KONG—INQUIRY AS TO INCREASE IN QUOTA

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): I wish to direct a question to the Minister of Citizenship and Immigration. Has any decision been reached concerning an increase in the quota of refugees from Hong Kong who may be granted permission to come to Canada?

Hon. Richard A. Bell (Minister of Citizenship and Immigration): Not as yet, Mr. Speaker. As I have already indicated to the house we expect that the present refugee movement will be completed by the end of November. At that time consideration will be given to the advisability of continuing further movements of Chinese refugees as a separate refugee movement. It should be borne in mind, in this connection, that under the new immigration regulations anyone, including refugees in Hong Kong, may apply for admission to Canada and it is expected that, because of this fact, further numbers of the refugees will be found admissible and will be enabled to come forward in the normal immigration stream.

AGRICULTURE

MARITIMES—REQUEST FOR EXTENSION OF CORN SUBSIDY

On the orders of the day:

Mr. A. J. MacEachen (Inverness-Richmond): Mr. Speaker, may I direct a question to the Minister of Agriculture? I wonder whether the minister has had a chance since last Friday to check into the matter of feed supplies in the maritimes, and whether his investigation may have resulted in a decision to continue the corn subsidy.

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, my officials are looking into this matter again, but they have not informed me of any new information. The last information was that there were supplies

up to three and a half months. That was at the time I made an announcement in the house.

Mr. E. F. Whelan (Essex South): A supplementary question, Mr. Speaker. I should at this time like to ask the Minister of Agriculture whether he is aware that corn growers in southwestern Ontario shipped corn to the maritimes before, and they were the ones who suggested the subsidy on the corn being shipped to the maritimes. I wonder if that will be considered in the present study.

Mr. Harkness: Order.

Mr. Speaker: Order. This is hardly a true supplementary.

Mr. Martin (Essex East): Mr. Speaker, on a point of order—

Mr. Churchill: The hon. member was making a speech.

Mr. Martin (Essex East): —surely the hon. member, who is a new member, has put a statement which obviously was intended to be in the form of a question, and should be allowed. The hon. member is simply asking why this provision does not extend to corn growers in southwestern Ontario as well as to United States corn growers. Surely that is a perfectly permissible question, asking for clarification?

Mr. Speaker: Perhaps it would have been a good question, put by the hon. member for Essex East as a straightforward, independent question; but as a supplementary question I do not think it fits into the pattern as it should.

Mr. Hamilton: Mr. Speaker, I rise on a question of privilege. The hon. member for Essex East made a flat statement that the subsidy was on United States corn. I must correct that at this time.

Mr. Speaker: Order. I would suggest to hon. members on both sides of the house that the matter of rising on questions of privilege is rather rare. They should be questions of privilege, and not merely an attempt to contradict someone else.

VALUE FOR DUTY ON U.S. POTATO IMPORTS

On the orders of the day:

Mr. Arthur Laing (Vancouver South): Mr. Speaker, may I address a question to the Minister of Agriculture, of which I served him notice. Is it true that an arbitrary value for duty purposes has been placed against United States potatoes?

Hon. Alvin Hamilton (Minister of Agriculture): No, Mr. Speaker.

Inquiries of the Ministry

NORTHERN AFFAIRS

WHOOPING CRANES—PRESERVATION OF NESTING GROUNDS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to ask the well known nature lover, the Minister of Northern Affairs and National Resources, a question. I trust you do not think I am whooping it up improperly now.

In view of reports that high water in Wood Buffalo national park may have inhibited the spring nesting of our whooping cranes, with a consequent apparently serious reduction in their numbers, and in view of the considerable public interest in this matter, would the minister assure the house that he will take steps, such as flood control, to ensure that the cranes may nest successfully in future?

Mr. Speaker: Order. Bearing in mind that I suppose some five or six months must elapse between now and nesting time I feel that perhaps the hon. member and the birds may have some difference of opinion as to the urgency of the situation when it comes to nesting.

DAWSON, Y.T.—FURTHER FINANCIAL ASSISTANCE TO FESTIVAL

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, may I direct a question to the Minister of Northern Affairs and National Resources? My question is based on the answer I received from the minister to my starred question No. 96, asking whether any entertaining troupe or group was invited to take part in the Dawson City festival by the Dawson City festival committee?

Can the minister advise the house whether the government has contributed by grant, subsidy, or loan guarantee to the Northwest Territories council in order to assist in the financing of entertainment at the Dawson City festival?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, grants have been made to the festival foundation.

NATIONAL PARKS

REQUEST THAT POLICY CHANGES BE CONSIDERED BY COMMITTEE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Northern Affairs and National Resources a question arising from an announcement in the house last Friday that changes in national parks

policy are under consideration. Has the minister the intention of bringing the contemplated changes before the mines, forests and waters committee of the house this session to consider the policy he has announced?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, no decision has been made in that regard.

Mr. Fisher: Mr. Speaker, in view of the interest and speculation in the matter, can the Minister of Northern Affairs and National Resources inform the house whether Mr. J. Coleman is still director of national parks in an active capacity?

Mr. Dinsdale: Yes, Mr. Speaker.

HEALTH AND WELFARE

TELEGRAPH CREEK, B.C.—REPORTED OUTBREAK OF HEPATITIS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare, about which the Minister of Citizenship and Immigration will also be concerned. I wonder whether the attention of the minister has been drawn to an infectious hepatitis outbreak in the community of Telegraph Creek in northern British Columbia; and if so, what steps are being taken to cope with it?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, my attention has not been drawn to this particular outbreak, but I will be glad to look into the matter for the hon. member.

EXPORT CREDITS INSURANCE ACT

AMENDMENTS INCREASING LIABILITY LIMIT, ETC.

Hon. George H. Hees (Minister of Trade and Commerce) moved the second reading of Bill No. C-63, to amend the Export Credits Insurance Act.

He said: Mr. Speaker, following discussions which took place last Friday concerning the resolution, we have been able to incorporate in the present bill the very good suggestion made by the hon. member for Ottawa West (Mr. McIlraith). In order to make it abundantly clear that the maximum liability the corporation may assume under section 14 is limited to $200 million, that is, ten times the paid-up capital and the surplus of the corporation, it is proposed that the word "capital" be inserted before the word "surplus" so that the section will then read:

14. The liability of the corporation under the contracts of insurance issued and outstanding shall not at any time exceed a total of ten times the aggregate of the amount of the subscribed capital and the capital surplus of the corporation.

[Mr. Fisher.]

On Friday we had a good and thorough discussion on the resolution stage. I had intended to make some further remarks at this time, on the opening of the debate on second reading, but looking them over I find they were all dealt with by the questions asked on the resolution stage and the answers I gave then. Therefore, I have nothing more to say at this point, though if hon. members have further questions to ask I shall be glad to try to answer them.

Mr. Hazen Argue (Assiniboia): The bill now before us follows the lines discussed during the resolution stage. I believe that over the years the Export Credits Insurance Act has commended itself to members of this house. The Minister of Trade and Commerce was good enough last Friday to give us a comprehensive statement concerning the commodities whose export is being financed under this act—the quantities of certain commodities now covered and the value of certain commodities whose sale is being negotiated at the present time. This particular measure provides for the financing, among other things, of sales of large quantities of wheat to various countries, mainly, though not exclusively, communist countries.

The whole question of Canada's policy with regard to the export of wheat to China, Czechoslovakia, Yugoslavia, Poland and so on has been discussed many times in this house. I would say that in all those discussions the financing of sales of this kind has had the full support of members of the house on both sides. Certainly, one would expect the official opposition to support this measure—as it does—because it is one of those acts which was brought in by a Liberal government and which was used by a Liberal government under the late Mr. C. D. Howe to pioneer in the field of financing credit sales of wheat to iron curtain countries.

This is chamber of minorities. Though we have not been able to detect it in the house to date, nevertheless there have been many statements made outside the house by members of the Social Credit party exceedingly critical of the kind of financing which has been carried out under this measure in connection with the export of wheat. I have in mind a statement issued by the leader of the Social Credit party which was reported on May 22 in the Saskatoon *Star-Phoenix:*

Selling wheat to China was the most irresponsible act of any government since confederation, national Social Credit leader, Dr. Robert N. Thompson, charged Monday night. "If the wheat was actually filling the empty bellies Mr. Diefenbaker talks about, there might be some excuse, but what consideration has he given to empty bellies in countries as yet uncommitted to communism?"

And so on. The leader of the Social Credit party was very active during the recent election campaign going back and forth across this country criticizing the wheat sales to China. I have in my hand a clipping from the Toronto *Telegram* of May 18. The heading reads: "Thompson Flays Grain Sales" and the report, datelined Niagara Falls contains this paragraph:

He quoted Lenin as saying that when communism is ready to hang capitalism, the capitalist countries will fight among themselves to see who sells the hanging rope.

I do not know if that rope is supposed to be the wheat but I suppose it is. I have many other newspaper clippings. A headline in the Calgary *Herald* reads: "Red Sale Hit by S. C. Head"; another in the Saskatoon *Star-Phoenix* says: "Selling Wheat to China claimed Irresponsible". I have in my hand a clipping from the Toronto *Star* dated June 22, datelined Rouyn, which says:

Twin Social Credit leaders Robert Thompson and Real Caouette joined hands last night to condemn Canada's sale of wheat to red China. Both said they would oppose any move by the federal government to make any more sales.

That seems to make their attitude clear enough. Another article in the Toronto *Star* of June 23 under a Regina dateline states the following:

Social Credit leader Robert N. Thompson made it clear yesterday his group would balk at wheat or butter sales to communist countries and would attempt to topple the government on this ground.

Well, the Minister of Trade and Commerce made it perfectly clear to us last Friday discussing the resolution that not only had this measure been used in the past in order to help finance sales of wheat to communist countries but that it would be used in the future for the same purpose. I should like to quote from a reply the minister gave as reported on page 456 of *Hansard* to a question I had asked him; I believe it was I who asked him the question, but it might not have been. In any case, this was the minister's statement:

The hon. member also asked what are the outstanding commitments under section 21 and 21 (a). First of all the commitments under section 21, liability under current policies, are as follows: Yugoslavia, $15.6 million for wheat; Poland, $51 million for wheat . . . United States, $61.8 million for aircraft, making a total of $138.8 million.

Then, Mr. Chairman, our additional outstanding commitments at the present time are $34 million for wheat for Poland; under negotiation or other possible wheat sales amount to $21 million, and for possible aircraft sales to $6 million.

I believe the people of Canada are in favour of sales of this kind—sales of food on credit to nations which have fulfilled the terms of sales which have been made. I am sure that across this nation there is support for sales of this kind whether they be sales of wheat, steel rails or any other commodities which are commodities of peaceful use and cannot be employed in any defence program. I am convinced there is unanimous support for legislation of this kind among grain producers in western Canada of all political parties. I believe that supporters of the Social Credit party, particularly those on the prairies who have wheat to sell, will be very much in favour of the bill which is now before the house, as well as of credit programs of this kind generally. I am pleased to detect what I believe is a complete change of attitude among members of the Social Credit group. I have put on record some of the violent language used in discussing the China wheat sale. I have referred to the stand which has been taken by the leader and deputy leader of that party in regard to the very kind of financing which is provided for under this legislation. The resolution, as far as I can tell, was passed unanimously last Friday. There was not even a voice raised to say: On division. I am encouraged to believe that the members of the Social Credit group are in favour of this legislation now. They have had second thoughts. They have reconsidered their stand and will vote for the bill, just as they voted for the resolution last Friday. Although they have had recent conferences where the whole question has been discussed, they have now reviewed their position—

An hon. Member: Reversed it.

Mr. Argue: Reviewed and reversed it—and are prepared to support legislation which the minister clearly tells us involves the financing of grain sales to various iron curtain countries.

I have in my hand a report from the Toronto *Globe and Mail* from Langevin Cote, datelined Three Rivers, Quebec, August 27. It states as follows:

The Quebec Social Credit movement yesterday unanimously opposed trade as Canada now carries it on with communist countries, and said it should be limited to barter exchanges without credit.

Of course, this legislation has nothing to do with barter exchanges and it is based on credit; it is based on the principle that the countries which are purchasing our goods live up to their commitments to make certain payments at certain times. It is a credit transaction that as far as I know—the minister can correct me if I am wrong—has been lived up to by the countries purchasing our grain. The prairie grain producers, people who are interested in Canadian trade, in expanding Canadian trade and in promoting exports of Canadian goods will be very interested to see the attitude of the members of the Social Credit party in this house on second

reading. Although they have been very critical of this legislation in the past, I hope that their attitude which they took last Friday means they have reversed their stand, and that this legislation may receive the full support of all parties in this house.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, one would think from the remarks which have just been made by the hon. member for Assiniboia that this legislation has been brought before us for the purpose only of financing the sale of our exports to communist countries. It has a much broader base than that, unless I am badly mistaken. If the hon. member for Assiniboia would read the copy of *Hansard* as it records what I said the other day, he would draw very easily my own thoughts in this regard, as I said to the Minister of Trade and Commerce in that I trusted that these credits would be used for the sale of our exports to those countries which are in the immediate area to which we belong and to those which belong to the commonwealth of nations. May I suggest for the benefit of the hon. member for Assiniboia that he knows very well what I said before, but I will say it again so that he understands it without any question. We are not against the sale of our surplus wheat to hungry people who live in countries behind the iron curtain, provided the needs of our friends have been taken care of. That is clear.

What I am concerned about here—and some day the hon. member will look back on what he has said and will think twice about it—is that a moral question is involved which is much deeper than any question of political expediency, or of economic expediency either. The question is whether or not it is advisable for us to be assisting the extension of a way of life that is in bitter contest in the cold war with our own. This is something for every hon. member to think about, because I am convinced that the offensive we face and which stands to threaten our western way of life at this time is an economic one, not military. It is in this regard that we must be very careful about our trade patterns.

What we have said in this house is not a reversal of our stand, because we are practical people, and people must understand that these things are not developed overnight; but also that we must set a principle to follow. In this regard I trust the Minister of Trade and Commerce is making every effort to find markets and to facilitate the sale of our exports to those people who are in equal need with the people behind the iron curtain and who are also hungry, but who are on our side of the fence in this struggle that today reaches right to the very doorstep of this hemisphere.

[Mr. Argue.]

In this regard I believe that one of the most important things that this house could consider at this time, which I trust the government is doing, is the setting up of a commonwealth trade conference. I know the countries of Africa well. I know the countries of Latin America well. I also know the countries of India and Pakistan, and also of the Middle East. I know that people are starving in those countries today because they have no bread. I trust that the credits which come from a piece of legislation like this will be used to facilitate the sale of wheat to these countries as well.

I also remind my hon. friend from Assiniboia of the fact, that a considerable part of the wheat which we have sold, in the hope that we were reaching the hungry peoples of China, has been used for political purposes. Last Monday I met the new president of the Algerian government at the United Nations, and I was interested to note that only two weeks before, the first shipment of aid to the new country of Algeria there was a gift of Canadian wheat moved into the ports of Algeria in West German boats from China. This is not only true there; it has been true in Korea, in Albania and in other countries. This does not mean to say that the western farmer, or any farmer in Canada, should have his wheat piled up in storage not sold. If the hon. member from Assiniboia would go back and read some of the press clippings he has been talking of now, he would understand, even though he did not belong to the Liberal benches at that time, that the amount of wheat sold in the five years prior to 1957 exceeded the number of bushels of wheat sold in the five years after 1957.

Mr. Horner (Acadia): That is not true.

Mr. Thompson: They are statistics. That is one of the reasons that we in the west today—I am a farmer myself—have found that our granaries are empty, as well as our storage facilities, due to the simple fact that during the last two or three years we have not raised the number of bushels of wheat that we did in previous years. This year we thank God for the fact that there is a bumper crop.

Mr. Speaker, when we vote for a piece of legislation like this it is with the hope that some of these credits will be used for the sale of our agricultural produce to those people who live in countries which are friendly to us and which have need of these things. Yes, we support this piece of legislation, not because we have turned our backs on what we said before, but because in principle the thing is sound. We must be able to finance the export of our surplus farm production to those people who are in need of it

to justify our viewpoint. We do not support the legislation for the reasons the hon. member for Assiniboia has tried to put forward, but we do give it support with this word of caution, and again I repeat it. We must do all in our power to make sure that these credits are used for the export of our surplus production, to the end that they might assist those who are friendly towards us. We also remind the Minister of Trade and Commerce of this fact, that what we are doing now is actually using capital which belongs in the realm of tax capital, or is money borrowed by the government for this purpose. I trust it will not be too long before we can have full consideration to the setting up of an export-import bank which will permit us to finance these sales through the facilities of the Bank of Canada.

Mr. Reid Scott (Danforth): Mr. Speaker, when this measure was before the house on Friday last in the form of a resolution, speaking on behalf of this party I indicated that we welcomed the measure and considered it as an improvement in the scheme of progress of this corporation. At that time, however, we raised the matter for the consideration of the minister and it is to that matter that I should now like to return. I refer to the failure of the legislation to make provision for extending to underdeveloped countries low interest loans which these underdeveloped countries could then use for purchase of our exports. An examination of the statistics today makes quite clear the need among the underdeveloped nations for loans and credits of this kind. Up to date most of the loans which have been made available to the underdeveloped nations have been made through the world bank for reconstruction and development. During the period of its operations to date it has done a very noteworthy and praiseworthy job. Last year I think it made loans amounting to almost $900 million. As of June 30 of this year, the total amount outstanding was about $6.5 billion. The main trouble with loans made under this agency is that they are made at the going commercial rate of 5 per cent or 6 per cent.

The difficulty that underdeveloped nations of this world are now experiencing is that the amounts of loans for which they have contracted or which they can obtain under the world bank have now reached the point where their export earnings and their economies will no longer permit them to carry any additional loans because of the rate charged and because of the need for the reduction of the principal. A member of the commonwealth, for example, namely India, is indebted to the world bank to the amount of approximately $626 million. India's economy is now reaching the point where she can no longer afford to obtain any further financing of this kind. Hence the need today is for low interest loans to underdeveloped countries.

On Friday I referred the house to a report in the *Globe and Mail* of that day by Sir William Iliff. In this morning's *Globe and Mail* there is another report by the same gentleman. In it he is quoted as saying this:

> The great need now, he said, is for interest free loans to help the developing countries over the difficult period when debt charges outweigh the improvement in export earnings.

As I have indicated, these underdeveloped countries can no longer afford to obtain financing at commercial rates. In order to meet this difficulty the world bank about a year ago opened up the international development association which provides loans for 50 years at 1 per cent. The situation developing in that institution is that although they had the sum of $760 million available for loans, they are now beginning to see the bottom of the barrel. They have committed over $520 million out of this amount and the funds are expected to be used up by the middle of 1963. What I am trying to emphasize for the consideration of the house is the fact that this problem of obtaining low interest credits is the major difficulty facing the underdeveloped nations.

The annual meeting of the international development association in Washington in September emphasized the extreme urgency for the richer nations, including Canada, to make available these long term credits for the underdeveloped nations. It indicated that it would find no difficulty at all in lending out $600 million each year for at least the next five years, or a total of $3 billion. It is into this great new area of world trade, this limitless market, that we in the New Democratic party would like to see Canada lead the way.

The northern nations of the world are living in comparative luxury while a vast majority of the coloured people are desperately poor. This gap is at present widening. Again, if I may, I should like to refer to the article I quoted earlier by Sir William Iliff. He states as follows:

> —living standards in the poor countries have done little more than hold their own since the end of the war.

That is during the last 15 years. Indeed, the problem is becoming accentuated. Since 1947, the population of the world has increased by 700 million. Two thirds of this population increase has occurred in the countries of Asia where the people are already desperately poor and short of food, clothing

and shelter. Modern methods of communication have made these people aware of the affluence of the northern countries of the world and they are looking to us for understanding, guidance and assistance. It seems to me that if we fail to meet this challenge they will undoubtedly look elsewhere.

In the past decade it was said that the balance of world power depended upon the recovery of Europe. In the coming decade that same balance of world power will turn upon our rapidly increasing the wealth of the southern peoples. A serious attempt to do this would provide significant export opportunities for Canadian products, particularly processed, manufactured and capital goods. From 1950 to 1958 the southern countries increased their imports by 45 per cent. In 1957 only 70 per cent of this came from the northern countries and amounted to more than $21 billion. Eighty per cent of it was in manufactured goods such as machinery, transportation equipment, chemicals and so forth. The United Nations has estimated that the merchandise imports of the southern peoples from the northern countries during the next 10 years will total $440 billion and will increase at an annual average rate of 5.5 per cent.

It seems to me that these figures open up a staggering opportunity for a country such as Canada with respect to her export trade, if we have the courage and the vision to reach out and accept these opportunities and to take upon ourselves the responsibilities which they impose. These countries are in great need. They cannot get the required capital for further development because they can no longer pay interest and principal charges on any further loans. The only solution now is the provision of low cost loans to these countries whose people are not only hungry for food but hungry for the products that our economy is capable of producing. If we are in a position to extend the necessary credits and loans so that they can buy our goods, they will eventually develop their countries to the point where trade can take place between us.

It seems to me that this is not only a logical attempt at international aid but that it will assist our own export markets. It is in every way in keeping with the tradition that we help each other and that the rich should help the weak.

Previously under the provisions of this legislation when it was introduced in 1944 there was a section under which the government was empowered to make loans to other countries for the purchase of Canadian exports. However, this section was permitted to lapse at the end of 1947 and since that time it has not been used. As I said earlier, while we welcome this proposal and feel that it is a step in the right direction, we regret that we have not made provision for low cost loans to underdeveloped countries so that they may purchase the products our Canadian economy is capable of producing. It is a step in the right direction, although a timid one. Therefore, I should like to move, seconded by the hon. member for Burnaby-Richmond (Mr. Prittie):

That the motion be amended by striking out all the words after the word "that" and by substituting therefor the following words:

"this house declines to proceed with Bill No. C-63 because its terms do not include an extension of the assistance to the governments of other countries provided in section 23 of the Export Credits Insurance Act".

Some hon. Members: Question.

Mr. Deputy Speaker: Order. The Chair is not satisfied as to form with regard to this amendment and, if hon. members will bear with me, I am seeking advice from the Clerk.

Mr. Hees: Mr. Speaker, the amendment that has been moved refers to section 23 of the Export Credits Insurance Act. I have a copy of the Export Credits Insurance Act and I cannot see any section 23 as part of that act.

Mr. Scott: If you will just turn to chapter 105 of the statutes—

Mr. Hees: What year?

Mr. Scott: I suspect that the minister is probably examining some pamphlet, but the Revised Statutes of Canada, chapter 105, set out the Export Credits Insurance Act.

Mr. Hees: What year?

Mr. Scott: The year is 1952, and there is clearly a section 23.

An hon. Member: You are ten years behind the times.

Mr. Scott: You are the ones who are ten years behind the times.

Mr. Hees: Mr. Speaker, the Export Credits Insurance Act has been amended in various years since that time. The last amendment was in 1960-61.

Mr. McIlraith: March, 1962.

Mr. Hees: The last amendment, I am advised, was during the last session of parliament in 1962. As far as I am aware, this is the Export Credits Insurance Act as it has been amended from time to time which I now hold in my hand.

Mr. Cameron (Nanaimo - Cowichan - The Islands): On the point of order raised by the minister, I would point out that the section to which my colleague from Danforth has

referred was part of the act as first passed, and as written at that time the section was to expire on December 31, 1947. I assume, therefore, that it was never repealed because it did not have to be repealed, but it was a part of the original act.

Mr. Hees: It may have been a part of the original act but the parliament of Canada has amended that act on a number of occasions since that time, and what I hold in my hand is the present Export Credits Insurance Act as passed by the parliament of Canada.

Mr. Lewis: Was section 23 ever repealed?

Mr. Hees: I am not going into the history of the act. All I know is that what I hold in my hand is the present act as it has been passed by parliament and it contains no section 23. Therefore I claim that the amendment is out of order.

Mr. Scott: Speaking to that point, Mr. Speaker, I should like to point out for your consideration that the original act did contain a section 23 which has never been amended or repealed. The various amendments that were brought into the house from time to time over the years all dealt with sections of the act other than section 23, and it has never been amended or repealed. In my respectful submission it is still valid.

Mr. Deputy Speaker: Does the hon. member for Vancouver Centre wish to speak to the point of order?

Mr. Nicholson: Yes, Mr. Speaker. Surely when the consolidated statutes came into being in 1952 there was a repeal of any pre-existing statute that was inconsistent therewith. Once consolidation takes effect there is a repeal.

Mr. Deputy Speaker: Is the hon. member for Winnipeg North Centre speaking to the point of order?

Mr. Knowles: Yes, Mr. Speaker. My eyesight is not good enough to see what the Minister of Trade and Commerce has in his hand but I assume it is an office consolidation of the act of the kind on which there is usually a note that it is not something that is used in the courts. May I point out to you, as one or two of my colleagues have indicated, that what this amendment asks is for an extension of something that was provided in section 23 of the act as it was originally passed and as it is on the statute books of Canada in the Revised Statutes of Canada, 1952. If the office consolidation does not contain section 23, that is probably due to the fact that it became inoperative because of the date that appears in section 23, but that goes straight to the point of the amendment, which is that the provision set out in section 23 should now be extended. If it is necessary to add a few words to the amendment to say "as set out in the Revised Statutes of Canada, 1952," that can be done, of course; but surely it is quite clear that what the amendment asks for is the extension of something that is in the original act.

Mr. Hees: Mr. Speaker, I am advised by the president of the Export Credits Insurance Corporation that section 23, to which hon. members are referring, expired on December 31, 1947.

Mr. Lewis: If the minister will permit me, when we discuss something like this I think we ought to know what section 23 of the act says. It is in these words:

> At any time before the 1st day of January, 1948, the governor in council on the recommendation of the Minister of Finance and the Minister of Trade and Commerce may—

Do certain things. It does not provide that he may do those things after the first day of January, 1948. Therefore, since the first day of January, 1948 the things which section 23 of the act provides may be done could no longer be done, but this section is still a part of the statute.

Mr. McIlraith: No.

Mr. Lewis: It is there, and all that the amendment says is that the section, which is still in the statute but is inoperative, shall be given effect to again. Surely hon. members can immediately see the difference between something which is deleted and something which becomes inoperative. It is no longer operative but it is still a part of the statute and the amendment says that the section, which is part of the statute but no longer operative, shall now be made operative. With the greatest respect, that is obviously in order.

Mr. Deputy Speaker: All I will say to the house at the moment is that I am still in some doubt as to the relevancy of section 23 which is what really disturbed me in the first place, apart from the fact that this amendment seems to anticipate something that could be offered when we go into committee to give the bill, as a whole, clause by clause consideration. I shall not make a ruling right at the moment but I am grateful to those who have made contributions. I shall give the matter consideration over the dinner hour and announce my decision at eight o'clock.

It being five o'clock this house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions.

DOMINION-PROVINCIAL RELATIONS

REQUEST FOR CONFERENCE RESPECTING EDUCATION, WELFARE, ETC.

On the order: Notices of motion:

That, in the opinion of this house, the federal government should give leadership by convening a conference of federal, provincial and municipal authorities to review the responsibilities of each level of government and their financial ability to assume same, with a view to reallocating the heavy burden for services, such as education and welfare on a more equitable basis.

An hon. Member: Stand.

Mr. Deputy Speaker: Will the house give unanimous consent to standing of the first motion?

Some hon. Members: Agreed.

Mr. Churchill: Do the rules not say it should be on the request of the government? Is that not the way to put it? If we consent then it stands.

Mr. Deputy Speaker: I shall amend my previous remarks and add the words "with the consent of the government."

Some hon. Members: Agreed.

Order stands.

CANADIAN WHEAT BOARD

SUGGESTED EXTENSION OF JURISDICTION TO EASTERN PROVINCES

Mr. Bernard Dumont (Bellechasse) moved:

That, in the opinion of this house, consideration should be given to the advisability of extending the jurisdiction of the Canadian wheat board to include the marketing and transportation of wheat for the eastern provinces so as to allow a uniform price inside and outside Canada.

(Translation):

He said: Mr. Speaker, this motion is submitted in the interest of all the farmers in this country. As the western and the eastern farmers both belong to the great Canadian family, it would be illogical that those in the east should have to pay certain commodities $3 more a hundredweight than what the western farmers are receiving. That is why I maintain that we, in the east, will have to talk with the Canadian wheat board, in order to know what interests are interfering, or whether some control is exerted inside that organization, which would result in western farmers getting a sensible price for their grain while we, the eastern farmers, have to pay an exorbitant price, which has led even the Minister of Agriculture (Mr. Hamilton) to admit that, as a result, 92,000 eastern farms only yield an annual income of $1,200.

[Mr. Deputy Speaker.]

If we pay, as I mentioned earlier, an exorbitant price for that wheat it is precisely because we, in the east, never had a chance to make ourselves heard by that board. This is not to say that we would tell the people in the west: "You are getting too much for your wheat." On the contrary, we want them to go on getting that price, but we also want the board at least to enable the eastern farmers not to pay a higher price for Canadian wheat than do the Chinese or the Poles.

If we grant some advantages to those countries, which are behind the iron curtain, why should we not help the eastern farmers in the same way?

Since I have been in the house, I have asked for storage facilities. We are told that in the west this year, there is a surplus of over 500 million bushels of wheat. Well, as the present storage facilities are inadequate, why does the Canadian wheat board not co-operate with the Catholic Farmers' Union or the Federated Co-operative of Quebec who, after all, represent the larger part of the eastern farmers? Why would representatives of those organizations not go and talk over the matter with the members of the Canadian wheat board, and persuade them that the board should immediately have some storage facilities built like those that they have to build in the west. Moreover, they might inform the board of the rail freight tariffs we are quite willing to pay as this is the means of transportation which we are now using. For we—that is the eastern farmers—are of the opinion that if we could do that transport in barges stopping along the deep water wharves which are now found in the east, the freight rate would be considerably lower and consumption of western wheat or grain would rise, because the present cost of the western grain is so high that eastern farmers are no longer interested in producing, and that is why there are those 92,000 farms. Indeed, the people we meet, among them the genial Social Credit members from the west, inform us that the same problems prevail in British Columbia. As a matter of fact, according to the statistics of the Department of Agriculture, there are, in that province, 27,587 farmers, 11,000 of whom earn more than $1,200, but, there too, we find some who earn less than $1,200 a year, which means that 46 per cent of all the farmers in that province are experiencing great difficulties.

If it is now possible to grant, as was suggested during the debate, conditions seemingly favourable for exports, should we not

also think of Canadians, mainly those in the eastern section of the country, who must pay more for their wheat than those countries receiving assistance under the Colombo plan? After the statement made at noon by the minister about the program called ARDA, a program which will revolutionize farming in the province of Quebec, would it not be logical that such credit be used to build warehouses, with the agreement of the Canadian wheat board?

A fair solution is now sought to our farmers' problems; well, the government should not think only of the western farmers but also of their eastern counterparts.

I suggest that after a national survey, we would be in a position to increase productivity on the farms of our section of the country with the assistance of the Canadian wheat board provided representatives of the Quebec federation of co-operatives and the Catholic Farmers' Union sat on that body.

The support price of 34 cents for eggs announced by the Minister of Agriculture for this year is barely sufficient to prevent the farmers from starving to death, since it equals the cost of the grain we have to purchase at a price which is much too high at this time.

This is why, in my estimation, we could obtain feed grains at a much reduced price if the moneys paid in contribution to the Colombo plan were used to assist the eastern farmers; it would also be more advantageous, as I said, than to sell such grain to the Chinese and the Russians at a lower price than that paid by the eastern farmers. If we built warehouses along the wonderful St. Lawrence river, from Fort William, that grain could be shipped around the Gaspe peninsula and even into lake St. John area, and the number of buyers in the province of Quebec would thus be considerably increased.

Since the Catholic Farmers' Union represents 38,000 farmers, it would be normal for the Canadian wheat board to look after the farmers the same way a family looks after its members and to offer the eastern farmers advantages as interesting as those offered at the present time to foreigners by western Canada.

In the province of Quebec, we want to live on our family farms. But when we have to pay higher interests, not to speak of unreasonable profits, the prices become excessive. As we buy 75 per cent of the basic grain production, I say that there should be no control and that individuals should not be permitted to take unfair advantage of us.

Although western farmers do not seem to be satisfied with the prices they are receiving, eastern farmers, as I mentioned earlier, have to pay up to $3 more per hundred pounds for the grain they have to buy.

There lies the real fault in this illogical situation, and if speedy action is not taken within a few years, some 10,000 to 12,000 family farms will be closed down, and their people will trek to the cities where they will swell the ranks of the unemployed.

If I have failed to convince the Minister of Agriculture of the necessity to build warehouses immediately, before navigation stops on the St. Lawrence river on December 15, in order that they may benefit the people this very winter, then 5,000 farms will have to be abandoned and those people will be starving this winter.

As it is necessary to feed mankind today, we, the eastern farmers, are willing to go on producing, on condition that we shall be looked after, because we are not any greater dolts than other farmers in this country.

In Quebec, we intend to produce, we intend to grow crops, if we are paid sensible prices for our grain and not exorbitant ones, because of a too high interest rate, as the people in the west are ready to sell us their grain. There are 2 billion human beings who are starving and we, Catholics of the province of Quebec, do not intend to just sit there, for we want to produce; at present, the situation is illogical. That is quite inconsistent. Those conditions must stop, and quickly too, because our farmers are getting impatient.

On June 18 last, 26 members from Quebec asked for those things; they were, indeed, quite satisfied, in their minds, that it was time to ask for the eastern farmers' due.

Earlier today, I saw our socialist friends opposite rise with the standing orders in their hand. Laws are all right. They are necessary. But, if we do not legislate in regard to the needs of people who are now in a difficult position, our friends the socialists will only give further help to the communists.

Anyway—and I have heard it frequently—we are told many things about planning in agriculture. There is no question of planning. All we want is to be sold grain cheaper, so as to be able to produce at a profitable price in our part of the country. For, according to Khruschev's own statements, planning in Russia and China seems to have been a tremendous failure. The land cannot be managed at will.

Since this grain has been produced by the western farmers, we wish to have our share of it and to have it at a reasonable price, for the government's policy of a minimum price

guarantee has been very costly to the Canadian people. Presently, the annual income of 92,000 farmers—nearly one million persons—amounts only to $1,200 per farm; this is inconsistent and abnormal in a country such as ours.

That is why we urge the government to intercede with the Canadian wheat board so that the board admits experts, as can be found in the U.C.C., in the province of Quebec, in the federated co-operatives and in some representatives of grain merchants, who are not all exploiters. We hope that those people shall be able to find an adequate solution and that, at the earliest possible date, they will bring about the construction of large enough storage facilities, with three compartments, for wheat, barley and oats, the three main commodities required for consumption.

Our co-operatives and our grain merchants will then go and get the grain out of those storage facilities. We will not need the government to get them. Since the grain must be stored for conservation purposes, elevators will have to be built in the west. Then, the Canadian wheat board could get transport rates from other carriers than the railways, which charge too much. In fact, we would be willing to pay the transport costs by boat, from Fort William to Quebec. Adding to this the small grant which the government has been paying for a number of years, a decrease in the price of agricultural commodities such as eggs and pork would then result. We would then stop asking for subsidies. It is not subsidies we want, but favourable prices, since we are living in Canada.

A French author once wrote that our country consisted of 30 acres of snow. But just the same, we want to live in Canada, we love our country and shall remain here. Of course, we shall never be able to compete with certain countries, Australia, for instance, which can produce butter at 22 cents a pound.

Since we have certain public bodies like the Canadian wheat board, why not make it possible for eastern farmers to get what they expect? Let us avail ourselves of the means at our disposal so that eastern farmers may get this year their fair share of the national income.

(Text):

Mr. L. E. Kindt (Macleod): Mr. Speaker, it is a great privilege to rise and speak on this resolution. I have listened with a great deal of interest to the hon. member for Bellechasse (Mr. Dumont). I sympathize with him in the problems the farmers of eastern Canada are having with respect to their requirements for wheat and the marketing of their wheat products. Therefore he, or his party, has brought forward this resolution. Before going into a minute discussion I wish to call the attention of the house to the phrasing of the resolution:

> —the advisability of extending the jurisdiction of the Canadian wheat board to include the marketing and transportation of wheat from the eastern provinces as well as from the western provinces so as to allow a uniform price inside and outside of Canada.

That requires a tremendous amount of concentration, a tremendous amount of thinking, and of course the hon. member for Bellechasse in his remarks indicated his own views on how this might be accomplished by the wheat board, by extending credit, by taking into consideration transportation costs, and other things.

I do not at this time wish to take up the time of the house by going into all those details, beyond saying that I am very sympathetic toward the eastern wheat farmer. I well recall the time some 27 years ago when the farmers of western Canada—and there are 225,000 of them out there who are members of the wheat board and who market their wheat through the board—were so much up in arms at the system of marketing through the old method of the Winnipeg grain exchange—

Mr. Herridge: The unplanned method.

An hon. Member: The socialist method.

Mr. Kindt: —that they demanded of their government that a plan of marketing be brought in which, as hon. members know, was the origin of the Canadian wheat board. I might say that what the farmers wanted was an orderly system of marketing. They wanted their wheat to be fed on to the market as it was required by the consumer countries and in accordance with the demand from the millers.

Mr. Herridge: According to plan.

Mr. Kindt: They also wanted an averaging of prices so as to overcome the speculation which had been so rampant on the open market. They further wished to have a board which could enter the international market and negotiate sales to China—as has been done—to Poland and all the other countries of the world, acting as an agency representing the best interests of the farmers of western Canada. These are some of the things the farmers wanted. As I recall vividly, the Bennett government was in power at the time.

Incidentally, that was a Progressive Conservative government. The farmers asked this government to put their wishes into effect, and this thought occurs to me—that you have to turn to the Progressive Conservatives if you want to see anything done in western Canada.

Mr. Herridge: Would the hon. member permit a question?

Mr. Kindt: When I have finished. The wheat board was set up by that government after a lengthy and, I have no doubt, profitable discussion in this very chamber back in 1935. The groundwork was laid at that time for the creation of the wheat board. I was over in the Department of Agriculture at that time as an economist and I happened to take part in the events of those days. I was asked to help assist in the writing of the legislation which set up the Canadian wheat board, so I have some claim at this time to speak with regard to that piece of legislation. It has stood for 27 years against all the inroads of private vested interest and it is still, in the minds of the western wheat farmers, the bulwark of their marketing system. They do not want any other system. The legislation setting up the board is one of the best pieces of legislation ever to be placed on the statute books of Canada and it has certainly fulfilled the needs of the people.

Returning to the resolution, I want to say again that this question of extending help to the eastern farmer is a complicated one. It will require a tremendous amount of thought—a tremendous amount of study. I am not in a position to say at this moment whether the method indicated in this resolution is the correct one or not. However, as far as the western farmer is concerned, he likes to sell his grain and he would like to sell to farmers in the east. As to the part the wheat board will play in this, who would pay the cost and so on, I do not think I am in a position at this time to provide the answer, especially as I know something of the complications which attach to wheat marketing. However, I personally feel very sympathetic toward the feeders and farmers of eastern Canada. Speaking as a westerner, I think we all want to do everything we can for the eastern farmer.

Mr. Herridge: Would the hon. member permit a question?

Mr. Kindt: Certainly.

Mr. Herridge: The hon. member has stated that the government of Mr. Bennett was a Progressive Conservative government. Would he say it is correct to call it a Progressive Conservative government?

Mr. Kindt: It was a Conservative government, but they were very progressive.

(Translation):

Mr. Vincent Drouin (Argenteuil-Deux-Montagnes): Mr. Speaker, the Liberal opposition does not quite grasp the scope of the notice of motion introduced by the hon. member for Bellechasse (Mr. Dumont), since, as far as we know, there is only one selling price both for export and domestic purposes. However, we admit that eastern farmers do not have the same facilities as western farmers have, not only as a result of higher transportation costs, but also as a result of their being obliged to handle their sales through brokers.

However, we recognize that the motives which have urged the hon. member for Bellechasse to introduce that resolution are most commendable, and we are pleased to support his recommendations.

It is undeniable that transportation by boat is much less costly than by railway or by truck, and the government should make an effort to facilitate the construction of storage facilities and water-borne transport wherever possible. Where water-borne transport is impossible, I am of the opinion that the government should increase subsidies on road or railway transport. In order to promote sound competition, I wonder whether it might not be a good thing to allow the consumer to deal directly with the western producers, within the limits of Canada.

Mr. Speaker, the members of the official opposition do not want to be accused of wishing to talk out the resolution introduced by the hon. member for Bellechasse, and for that reason, I close my remarks in saying that the Liberal party is conscious of the eastern farmers' difficulties and that it will support, as far as possible, any bill which might improve their lot.

(Text):

Mr. Arnold Peters (Timiskaming): I am very interested in that resolution because it deals with a subject with which we have been concerned for some time. It would appear that a desire is growing in all quarters of the house to support the idea of an equalization as between agriculture in the east and in the west. There has, it seems to me, been a great deal of influence used by members of parliament in days gone by in the promotion of legislation which has been advantageous to the western provinces and which, finally, through the efforts of the wheat board, has resulted in the marketing of their major commodity in a more advantageous way than any available to farmers in the eastern parts

of Canada. However, I think something should be said about the last part of the motion. This is something for us to consider.

It is important that we in Canada have equalization between the east and the west. It would be very nice to find some method of subsidization, but I am surprised at the hon. member for Bellechasse, who talks of free enterprise and then wishes to take over the free enterprise elevators on the great lakes and make them into a credit corporation under the Canadian wheat board. He may not know that the Canadian wheat board is also a government agency, and if they were to take over the elevators and the transportation system, it would require a great deal of subsidization to accomplish this. While I am completely in disagreement with the proposal, I am very surprised at how he can attack collectivism and the other things he mentions and at the same time speak for free enterprise. Because what he suggests is just the opposite. Surprisingly for us in this part of the house, we have never made this strong presentation for collective ownership of agencies now under free enterprise in the field of agriculture, and I do wonder if he is speaking for his party on that particular aspect.

Mr. Speaker, the problem of the equalization of our wheat and grain products under the jurisdiction of the Canadian wheat board is divided mainly into two parts. The first is the question of our foreign sales, and the second is our domestic sales, which in turn is divided into two other parts, our flour and wheat for cereal purposes, and second, grain which in this country is used for feed. I believe that in eastern Canada we are more interested, or probably show a greater interest, in the feed portion of Canadian wheat board sales than we are in the flour portion, which has been relatively well equalized, and in foreign sales. We in this party have always believed that we should work towards a two price system and not a one price system. We believe that the export markets should be operated on a competitive basis throughout the world, and that we should try as hard as possible to meet that competition and to keep our external price of wheat in line with other countries, so that the advantage we have with the type of wheat we grow will show up in the competitive field and we will be able to increase our foreign sales.

We in this party have also agreed that there can and should be some consideration given to the subsidizing of our domestic sales. In this regard consideration can be given to the grain products brought into eastern Canada which can be used for feed purposes. I agree that this equality between the east and the west is very important. It is absolutely necessary for us to strike some balance between the cost of production of beef in eastern Canada and the cost in western Canada. I do not think there is any western member here who would ask for an unfair advantage because of the method in which wheat in particular is controlled by the Canadian wheat board, and that he would ask for an advantage in the production of beef cattle.

Some hon. Members: Oh, oh.

Mr. Peters: Well, maybe there are, Mr. Speaker. Perhaps I should not have said that most western farmers are reasonable; there may be exceptions.

Mr. Horner (Acadia): You are as mixed up as ever.

Mr. Peters: I said there may be some exceptions. Perhaps I was wrong in thinking that there was some harmony and uninimity in the desire to establish a fair and reasonable price. But it has always been our hope, although it was not fulfilled in recent years in the recent changes to the feed and grain acts, that there will be equality between the prices in eastern Canada and in western Canada for feed grain.

The hon. member who introduced this resolution did not say whether he was interested in subsidization of transportation to make possible this type of equality between the east and the west and I was not quite clear whether he was contemplating putting wheat and other commodities grown in both eastern and western Canada under the Canada Grain Act. But I think our position should be made clear, and our inability to support the last part of this resolution should also be made very plain. Over the years we have been willing to support a two price system, and we continue to do so. But we also put forward the hope that we will be able to equalize the price and the cost of the commodities which will be produced under the Canadian wheat board and consumed in eastern Canada with those of western Canada.

Mr. Jorgenson: I wonder if the hon. member would permit a question? He is advocating a two price system and I was wondering whether he wanted the domestic price to be higher or lower than the world price.

Mr. Peters: Mr. Speaker, I would imagine that the export price would be the best competitive price obtainable on the export market. The price obtained in the domestic field, I would imagine, is now being subsidized to

some extent, and this would usually tend to create a price higher than that obtained on the export market.

Mr. Kindt: May I ask the hon. member a question. How would he solve the question of grades under his two price system?

Mr. Peters: I would think that this would have to be given consideration, but I can see no difference between the grades you have on the domestic market and the grades on the external market. You could probably sell the same grades inside the country as you sold outside the country, and I would not think that this would produce any particular hardship.

(Translation):

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I wholly endorse the motion of the hon. member for Bellechasse (Mr. Dumont).

I would like to see all eastern farmers enjoy the advantages available to the citizens of other countries.

Eastern farmers are in a pitiful situation. Farmers in my constituency abandon their farms at an alarming rate. Complete ranges are seen where there are almost no farmers any more. Everything is abandoned. In my riding, nearly 50 per cent of farmers have left their land during the last ten years.

Here is an alarming situation, Mr. Speaker, and I believe that we should understand and admit that farmers are the essential basis of society, on which are established all other social structures, and consequently that everything will crumble if farmers disappear.

Mr. Speaker, it is time eastern farmers got favourable prices. They are paying too much for the grain they buy. And not only are they entitled to reduced prices, they are also entitled to those advantages which are offered other countries.

Moreover, they are entitled to certain financial benefits. A while ago, our friends opposite spoke of setting up a system of 1 per cent interest loans to finance foreign markets. Well, this opportunity should be available to our farmers, and if the hon. member for Bellechasse is willing to include this suggestion in his notice of motion, that is to lend money to eastern farmers at a 1 per cent interest rate, I shall support it. Such a measure would allow eastern farmers to improve their land, to keep on producing, to live better and to keep the social structure going up instead of crumbling down.

Mr. Speaker, I feel that the proposal before the house is extremely important and that all necessary means should be taken to give eastern farmers what they are entitled to, for these are products manufactured in Canada, by Canadians and for Canadians.

Canadians should have them first and, with this, I close my remarks.

(Text):

Mr. E. Nasserden (Rosthern): Mr. Speaker, before I deal with this matter this afternoon I should first of all like to congratulate you on your elevation to your high office. This is the first opportunity I have had. I do so on behalf of the people of my riding, many of whom came from the province of Quebec and also from France, and who are interested in the fact that you represent both the historic races in Canada.

The resolution before us moved by the hon. member for Bellechasse (Mr. Dumont) is as follows:

> That, in the opinion of this house, consideration should be given to the advisability of extending the jurisdiction of the Canadian wheat board to include the marketing and transportation of wheat for the eastern provinces as well as for the western provinces so as to allow a uniform price inside and outside of Canada.

The first thing that occurs to me is that possibly we should go back to the beginning when the Canadian grain board was first brought into the House of Commons back in 1935 and to the debates of June 10 when the prime minister of that day, namely the Right Hon. R. B. Bennett, moved the following resolution as found at page 3456 of *Hansard* of that year:

> That it is expedient to bring in a measure to establish a board to be known as the Canadian grain board with power to purchase, receive and take delivery of wheat, oats, barley, rye and flax seed, or any one or more of such grains for marketing and to sell, store, transport and market such grains, and to provide for the appointment of such clerks, employees and assistance as may be necessary—

And so on. At that time in the House of Commons when this measure was brought in I believe it is fair to say there was considerable opposition from the members of that party now forming the official opposition in the house. They were opposed particularly to the compulsory features of the Canadian Wheat Board Act. Before I go into that particular part of the matter I might quote from Mr. Bennett who, speaking in debate on June 12, 1935, had this to say as found at page 3577 of *Hansard* of that year:

> The terms and provisions of the bill are short and simple. It provides for the marketing of the Canadian wheat crop through the channel I have indicated, not through a private enterprise. It is to be

done through a public board created by the dominion of Canada for the purpose of ensuring against the destruction of that measure of economic stability, weak though it may be, that we through our efforts have been able to build up in the last few years.

He made that statement because of the situation which had prevailed in Canada in 1929 and 1930 when we saw the surplus of wheat in this country rise as it had never risen in any period prior to that time. I need not remind hon. members of this house that the government of that time was led by Right Hon. W. L. Mackenzie King.

A few moments ago I said that the opposition to the wheat board act at that time was directed against the compulsory features. I will refer to the speech of J. L. Ralston on June 13, 1935, in which as found at page 3597 of *Hansard* of that year, he said this:

I would strike out or eliminate the compulsory feature which is contained in this bill. Mr. McFarland has no compulsory power to make people sell their wheat to him, but this act by virtue of giving control over the elevators does create a situation whereby the whole grain trade is tied up and made subservient to this board.

That has remained essentially the purport of the act up until this time. When I look at this resolution I just wonder whether the hon. member really meant he wished consideration to be given to including the marketing of grain or wheat in eastern Canada and central Canada and having it marketed in the same way as it is marketed in western Canada today under the Canadian wheat board. In fact, as I think back over the last four or five years of those things that have come to our desks as members of parliament from the wheat producers of Ontario and the grain producers in eastern Canada generally, it would seem to me that they have not been asking that the Canadian wheat board take control of the marketing of their products here in eastern Canada.

The other thing that I was wondering about is why the transportation of wheat is mentioned. I would have thought that the feeders and the livestock producers in central Canada and eastern Canada might be more concerned with oats and barley than with wheat alone. However, I just draw that matter to the attention of the house for the consideration of hon. members at this particular time.

All of us are naturally in favour of building up a sound agriculture policy in Canada. We realize that this entails a general feeding policy in Canada and the development of the livestock industry in many areas of Canada where today there are lands which are practically lying idle and which could be used to advantage in that regard. However, when an hon. member representing his party rises in his place in the House of Commons and indicates that they would like to strike off approximately $1 per hundredweight from the grain that has come from western Canada, I think it opens up a whole wide question for all of us to take a good look at. I think that question could very well be asked by some of those who produce grain very close to where the hon. member lives. If we are going to strike off $1 per hundredweight from grain from western Canada, what are we going to do about the grain that is produced in Ontario, in the province of Quebec and in the maritimes?

With regard to representation on the Canadian wheat board, may I say it is a known fact that there is an advisory committee from eastern Canada. This committee is composed of six members: two from Ontario, two from Quebec and two from the maritime provinces. I believe they will be meeting in the very near future. I know that all of us in the house have looked forward to the constitution of this committee, in the hope that they will be able to give some worth-while advice to the board at such time.

The matter of elevators in central and eastern Canada is not a new one. It has been raised many times in the past by advocates from various parties. We in western Canada particularly have thought that storage elevators in the eastern part of the country and in central Canada as well might be of great benefit to us. We have often wondered why the co-operatives in those areas of the country have not made more use of their co-operative strength in the purchasing of grain. Those hon. members who are familiar with what the co-operatives have been able to do in western Canada will know that here is a field in which there is room for a great deal of activity. Often a co-operative can do something on behalf of its members much better than can a government and, incidentally, at less cost as well.

I should like to put this on the record. Mention was made of $3 per hundredweight for wheat, with an initial payment of $1.23. You have a final payment and subsequent payments which were about 39 cents, I believe. You get about $1.62. That is for 60 pounds of wheat. If you take 100 pounds you have $3. You also must take into consideration handling charges and those things have to be paid by the person who is producing just in the same way as with our grain going into the export market.

I would be interested in hearing the other front bench members of the Social Credit party let us know what they think of this

bill. After all, this is a very interesting situation. It is one in which we are all interested. I am interested in the hope expressed by the hon. member for Bellechasse that they can knock $1 off a hundredweight of wheat from western Canada. We in western Canada have felt that we have not been securing what you would call a fair enough price for grain throughout the years. If you had been here during the last several years you would have experienced some of that play here in the House of Commons and across the country whereby the grain producers in western Canada were asking for substantial subsidies.

I have with me here the Wednesday, May 7, 1958 report of the Searle Grain Company which, in dealing with the wheat problem in general, had this to say among other things:

> The unwinding of the wheat marketing problem in the future is going to require not only the patience, courage and understanding of all concerned, whatever their personal views, but also a willingness on the part of the Canadian taxpayer to accept, if necessary, any temporary financial burden that may arise. Such a burden, since the early days of world war II, has been shouldered by the western wheat grower for the benefit of the Canadian people at large. Before long, perhaps, it may be necessary for the population as a whole to assume some part of it.

In this regard I might say that over the last several years—I believe the hon. member for Bellechasse referred to this—there have been some subsidies to producers in western Canada. I think of the acreage payments. I also think of the alternative to acreage payments which would be the implementation of a two price system with respect to wheat used for human consumption in Canada. I believe this has been advocated by some people. I believe that the acreage payments were made in lieu of such a system.

I just wanted to draw that to the attention of the hon. member because people in western Canada are not jealous of the progress being made in other parts of Canada. All we want to do is to try to share in the progress being made in other parts of Canada, and I would point out that many of the things that have been said about conditions in the eastern part of the country can be said about other parts of Canada as well.

The resolution is in these words:

> That, in the opinion of this house, consideration should be given to the advisability of extending the jurisdiction of the Canadian wheat board to include the marketing—

I will skip the reference to transportation for the moment.

> —of wheat for the eastern provinces as well as for the western provinces so as to allow a uniform price inside and outside Canada.

Having regard to the wording of the resolution, I would point out that we have had no indication from those producing grain in eastern Canada that they want this kind of policy put into effect at the present time. It may be that those in the feed industry would like to see this kind of policy put into effect, but I do not think that the producers of grain in eastern Canada are in favour of it. I am inclined for that reason to feel that the resolution is a little premature.

I was quite interested in some of the references that the hon. member for Timiskaming the agricultural expert of the New Democratic party, made. It was not so long ago that they had another agricultural expert who now sits in another part of the house. One can only wonder how long it will be before his trail will be followed. My only other observation would be that I do not think the hon. member added very much to what has been said in the past and he certainly did not throw any new light on the subject matter of this resolution.

Mr. E. F. Whelan (Essex South): Mr. Speaker, I will take only a short time on this subject. One of the members from Alberta —I forget his riding—made some statements with regard to eastern grain. As a former member of the western Ontario winter wheat producers board I can say that it may be that some of the members from eastern Canada are not really informed about what we try to do. We have a surplus of grain and a deduction on our grain by our marketing board to the tune of 9 cents a bushel in order to export our surplus grain to Europe on a two price system.

We asked the government for a subsidy on this grain to enable it to enter the eastern provinces, because we had a surplus of damp grain last year that was good for feed. This grain is good for feed. A small soybean supplement added to it makes it as good feed as western grain.

We could also produce enough high energy feed for eastern Canada if we were given the same subsidy as is provided for western grain to enable it to enter the eastern provinces. We asked for a subsidy on a big crop of corn that we had in western Ontario last year. It was announced that a subsidy would be paid, and maybe one of the reasons a subsidy was not paid on Ontario corn was the disadvantage we had of not having any big shipping points available at that time. Never before in the history of this country that I know of have the people of Canada been asked to pay a subsidy on United States grain to enable it to go into the eastern provinces of Canada. This put us in Ontario at a definite disadvantage. We are not making a fair price on this corn and all we are asking is that we be given a subsidy to

provide us with a fair price in the same way that the western producers are given a subsidy on their wheat. With a subsidy on grain going in to the maritime provinces we could produce all the corn that Canada needs, all the high energy feed and all the feed grain that the maritime provinces need.

As a former director of the united co-operatives of Ontario may I say that before I was elected to the house I was appointed to a committee that was supposed to make recommendations to the Board of Grain Commissioners for Canada. We worked very closely with them and we in western Ontario feel that right across the province corn could be grown as far north as No. 7 highway in view of the modern breeding of hybrid corn. We would have no trouble at all proving we could grow the corn if we were given a fair return for our efforts.

On my own farm I had 100 acres of corn this year which we are now harvesting. We in western Ontario have had one of the biggest yielding crops of corn we have had in a good many years. I am sure that the government can take no credit for that. Maybe they will try to, but the credit belongs to God and the farmers. We had extraordinarily good growing conditions in that area which resulted in one of the best crops in years. In years to come we can produce corn as a high energy feed grain that will take the place of a lot of the other grains and it will produce quality beef, pork and turkeys. We have shipped this grain to the maritimes before through our own local co-operative. We know we can ship corn to that area. I believe that the first corn to go into the maritime provinces went from southern Ontario and it was the high protein, high quality grain that the people there like. It was our own farm organization that asked that subsidy be paid on feed grain going into the maritime provinces, but to our amazement the subsidy was paid on United States grain entering that area. We did not think that was fair and we do not think so now.

Some hon. Members: Six o'clock.

Mr. Speaker: The hour appointed for the consideration of private members' business having expired, the house will now resume the business interrupted at five o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

EXPORT CREDITS INSURANCE ACT

AMENDMENT INCREASING LIABILITY LIMIT, ETC.

The house resumed consideration of the motion of Mr. Hees for the second reading of Bill No. C-63, to amend the Export Credits Insurance Act, and the amendment thereto of Mr. Scott.

[Mr. Whelan.]

Mr. Speaker: Prior to the five o'clock recess the hon. member for Danforth (Mr. Scott) moved an amendment and I understand that there was discussion on its admissibility. Points of order were raised in regard to it, and the Deputy Speaker informs me that he entered a caveat as to its admissibility. The discussion had not terminated when the five o'clock adjournment was reached, and therefore I am quite prepared to hear further argument on the question of its admissibility if any hon. member wishes to address the house.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, when the Export Credits Insurance Act was passed in August 1944 it was in three parts. Part I is the responsibility of the Minister of Trade and Commerce, and this part established the Export Credits Insurance Corporation. The legislation before the house, Bill No. C-63, refers only to part I.

Part II authorized the government to make loans to devastated countries, and was the responsibility of the Minister of Finance. The right to make loans under part II expired on December 31, 1947.

The amendment moved by the hon. member for Danforth (Mr. Scott) is, I submit, out of order because the resolution which it seeks to amend was approved by the house last Friday.

Briefly, the bill deals with part I of the act. The sections which the bill seeks to amend are contained in part I of the act and deal with the operations of the corporation, the purpose of which is to assist Canadian producers to sell more goods in all parts of the world. What the hon. member wishes to do is have the government provide long term loans to developing countries. This is one of the purposes of section 21(a) as it operates at the present time and as it will operate more efficiently when the present bill is passed.

Section 21(a) provides $300 million—I repeat $300 million—for that exact purpose. Already contracts under section 21(a) amounting to more than $50 million have been signed during the past year, and commitments have been given for additional business totalling $75 million, all in developing countries.

As an example of the type of loans being made under section 21(a) I can mention the $25 million credit—

Mr. Speaker: Order. If the minister could bring his reasoning a little closer to the

relevancy of the amendment, rather than dealing with what is being done under section 21 or section 21(a), we would derive a little more assistance at this time.

Mr. Hees: Mr. Speaker, I shall be very glad to terminate my remarks, in that I think I have disposed of the question as to whether or not the amendment is in order by pointing out that it seeks to amend the resolution which was passed by this house last Friday.

I want to give some further information for the benefit of the hon. member, who is a new member, in order to point out many things the government has done along the line he proposes since this section became inoperative some 15 years ago. However, if Your Honour feels that is out of order I shall be glad to make those remarks some time later, if they are needed.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I gather that the point that was first raised a few minutes before five o'clock has been disposed of, and I also gather it is recognized that section 23, to which reference is made in the amendment moved by my colleague the hon. member for Danforth, is part of the act itself as it appears in the Revised Statutes of Canada for 1952.

Some hon. Members: No.

Mr. Knowles: Others have probably done so, but I have again checked all of the acts since 1952 that have amended the Export Credits Insurance Act and in no one of them is there any section repealing section 23 of the act. Therefore it is still part of the Export Credits Insurance Act despite any incomplete office consolidation that the minister may have in his hand.

With respect to the serious point the minister raised in opening his remarks after eight o'clock, I must say he raised a point that has to be considered by anyone seeking to move an amendment of this kind. That point is clearly this: is the proposed amendment covered within the framework of the resolution that the house passed on which the amending bill is based?

I draw your attention, sir, to the terms of the resolution which this house passed. It reads as follows:

> That it is expedient to introduce a measure to amend the Export Credits Insurance Act to increase from two hundred million dollars to four hundred million dollars the limit of the liability of the Export Credits Insurance Corporation under contracts of insurance entered into under section 21 of the act;

At that point there is a semicolon, and the rest of the resolution reads:

> and to provide further for certain changes in connection with the administration of the act.

Now, Mr. Speaker, the only thing that is referred to precisely in the resolution is the increase from $200 million to $400 million, to which I have already referred, and that is carried out in clause 2 of Bill C-63 that is now before us. But the same bill, C-63, has in it clauses 1 and 3 which propose to do things which were not specifically referred to in the resolution. They are, I take it, covered by that general phrase "and to provide further for certain changes in connection with the administration of the act".

This is another case, Mr. Speaker, of a widely, generously worded resolution. We have had many of them through the years. When my hon. friends across the way sat on this side of the chamber, they did it a number times. It is a well established rule that when the resolution is so broad that it covers a multitude of things that can be done, then it is open to hon. members of the house to move amendments that are within that framework.

I suggest that if propositions such as are contained in clauses 1 and 3 of the amending bill, which were not specifically named in the resolution, are in order, it is in order to bring in other proposals which can be classified as changes in connection with the administration of the act. That is precisely what my colleague's amendment seeks to do; it seeks to make a change in connection with the administration of the act.

In his opening remarks at eight o'clock tonight the minister said that the bill he has brought in deals only with part I of the Export Credits Insurance Act. But the resolution did not confine the proposed amendments to part I of that act; it was broad enough to cover any changes in connection with the administration of the act. The reference there is to the whole act.

I submit therefore, Mr. Speaker, that the proposal contained in the amendment moved by my colleague is relevant to the bill, which seeks to amend the Exports Credits Insurance Act, and that in so far as it is an administrative change, it has been covered by the resolution which the house passed on Friday last.

While I am on my feet may I say, Mr. Speaker, that before an amendment of this character is moved from this corner, some research into what has happened in the past has always been carried out. This particular type of amendment, an amendment to second reading of a bill, is one in connection with which there is a long list of precedents. I draw your attention tonight only to one. It is found on pages 426, 427 and 428 of the *Journals* for 1959. The ruling given there is by Mr. Speaker Michener. It was on a second reading amendment, moved by the hon. member for Essex

East (Mr. Martin), to a bill amending the Unemployment Insurance Act, which read:

> This house declines to proceed with a bill, the terms of which do not provide—

Such and such. I need not give the whole of it. The point of drawing attention to this ruling is that it was a case where the right of the hon. member to introduce such an amendment was contested. It was considered seriously; it was considered overnight, and Mr. Speaker Michener ruled, in line with what I have just said regarding this proposed amendment, that it was correct in form and it was covered so far as its provisions were concerned by the general nature of the resolution that had preceded the bill brought in by the government.

As I say, Mr. Speaker, there are many instances, but this is the most recent one I have been able to find concerning which a point of order was raised. The point of order having been raised, the matter having been considered thoroughly by Mr. Speaker Michener, he concluded his remarks by saying:

> As I say, it appears to me to meet the precedents and the rules of the house and therefore I am prepared to allow the amendment.

I suggest that the amendment my colleague has now moved is on all fours with the amendment that was moved on May 12, 1959, which was allowed on that occasion by Mr. Speaker Michener, and this amendment should likewise be allowed.

Mr. T. R. Berger (Vancouver-Burrard): Mr. Speaker, may I say a word on the point of order which has been raised, dealing principally with the objection that has been suggested which is based on the allegation that section 23 is no longer in force. Section 23 provides that at any time before January 1, 1948 the governor in council may, if he deems it advisable, do certain things. If the amendment were one, or if there were a motion before Your Honour which simply provided for the deletion of the words "before January 1, 1948" from the legislation, there would be no question whatever that the legislation would be still in force. In fact, Your Honour, I suggest that this house, when it passed the Interpretation Act, realized there was a vast difference between the provisions of a statute which might be repealed and the provisions of a statute which might for one reason or another cease to have effect, because in section 11 of the Interpretation Act parliament dealt with the question of the operation of statutes, and in section 19 of the Interpretation Act parliament dealt with the repeal of statutes.

The minister might argue that this particular provision in section 23 has become obsolete, but it is a well established principle that a law is not repealed by becoming obsolete. I cite as authority for that proposition the tenth edition of Maxwell on the Interpretation of Statutes. Maxwell in that well known work points out that trial by battle, which was established under a statute of Henry II in the twelfth century, had become obsolete by 1819, and yet it was deemed by the courts at that time to be still in force.

I am not suggesting that the legislation passed by the previous government in the immediate post-war years, or any of it, is as obsolete as trial by battle; but I do suggest that the principle is still the same and ought to be applied in this case; that section 23 is still in force and cannot be regarded as having been wiped from the statute books, and can be subjected to such an amendment as the hon. member for Danforth (Mr. Scott) has moved.

Mr. Hees: Mr. Speaker, the hon. member seems to be worried by what he believes to be the inability of the government under this present act to make loans to other governments. That is not the case. This can be done and is being done at the present time under section 21(a). As an example of the type of loans I am speaking about which can be made under section 21(a), there is a loan outstanding at the present time, made recently to India, for $25 million of credit, and $15 million of credit extended to Pakistan, both under section 21(a). So the government, under section 21(a) as it now operates, and as it has operated since December 1960, is able to extend credit, that is make loans to other governments, which is, as I understand it, the main purpose of the old section 22 as it was called when the act was first passed, and which later became section 23. So my purpose in rising immediately after the dinner adjournment was to try to explain to the hon. member the kind of things this act now can and is doing along the lines that he feels are most desirable.

Mr. Barnett: Mr. Speaker, may I rise on a point of order. I would suggest that the minister is debating the amendment before Your Honour has ruled as to whether it is admissible.

Mr. Speaker: I was wondering whether the minister was taking off from the point at which I interrupted him earlier. I can see he feels that what he is saying is relevant to the proposition put forward by the mover of this amendment; but I do find some difficulty in relating it to the point of order, that is, whether this amendment is actually relevant to the bill under consideration or not. I would ask the minister to limit himself to that point.

Mr. Hees: I think I have said all I need to on this matter.

Mr. Churchill: I thought that what the Minister of Trade and Commerce was saying is very helpful to the house. The amendment which I have before me reads as follows:

> This house declines to proceed with Bill C-63, because its terms do not include an extension of the assistance to the governments of other countries provided in section 23 of the Export Credits Insurance Act.

As I understood the Minister of Trade and Commerce, he was pointing out to us that this amendment was quite unnecessary because the present bill does provide assistance to the governments of other countries as shown in section 21(a) of the act, which reads—

Mr. Barnett: May I rise on a point of order? I must object that the leader of the house is debating the amendment.

Mr. Churchill: I am speaking to the point of order.

Mr. Speaker: The leader of the house is now raising the point whether this amendment would introduce something into the act which is considered to be superfluous, and, for that reason out of order. As I follow his argument, it is a new argument on the question of the admissibility of the amendment.

Mr. Churchill: That is it, precisely, Mr. Speaker. I should like to continue to read section 21(1)(a) which is as follows:

> The board, having regard to the limitations imposed by section 14, is of opinion that a proposed contract of insurance will impose upon the corporation a liability for a term or in an amount in excess of that which the corporation would normally undertake in relation to any one contract, exporter, commodity or country—

The proposed amendment suggests an extension of assistance to the governments of other countries. It certainly is superfluous. It is a repetition of what is already contained in the statutes.

Mr. Knowles: I think Your Honour should compare what the Minister of Veterans Affairs has now said with what the Minister of Trade and Commerce said a few months ago. The hon. gentleman pointed out that part II, in which section 21 is contained, is the part which provides for loans to governments.

An hon. Member: No, section 21(1)(a).

Mr. Knowles: That is not loans to governments. Section 21(1)(a) guarantees contracts by importers in other countries. We are concerned about carrying forward the principle of loans to governments of other countries which, the Minister of Trade and Commerce has already said, was in part II, which is covered mainly by section 23.

I accept Your Honour's ruling that the leader of the house has raised a point which is germane, but I contend that his submission that the amendment is superfluous is wrong because of the distinction between importers, as in the bill before us, and governments, as contained in the amendment.

Mr. Hees: To answer the point raised by the hon. member for Winnipeg North Centre, may I say that when amended as proposed by the bill now before the house, the act would make it possible for other governments to deal directly with the Export Credits Insurance Corporation regarding loans and credits.

Mr. Knowles: Where does it say that?

Mr. Macdonald (Rosedale): On that point of order, I submit to you, Mr. Speaker, and to the house that the reference to country in section 21(1)(a) relates rather to the direction in which the various loans will be made and is not necessarily a reference to a foreign sovereign state as such. The point referred to is perhaps one to which several members on this side of the house have already referred today, namely the fact that the corporation appears to be putting too many of its eggs into one basket—one country, in this case, communist China. I submit that is the sense in which the word is used in that section, not the sense in which the leader of the house used it.

Mr. McCleave: May I draw Your Honour's attention to Beauchesne's fourth edition, page 281, citation 394(1) dealing with the principle of relevancy in amendments. It says, in part that an amendment must not attach conditions to the second reading of a bill. I suggest that the purpose of this amendment is to say that because such and such is not being done the bill should not be proceeded with. It certainly comes within the spirit of the statement in Beauchesne.

Mr. Knowles: Read citation 382.

Mr. Speaker: I wish to thank hon. members for having advanced arguments in this connection. First of all, in order to dispose of the argument raised by the hon. member for Winnipeg North Centre in citing a ruling by His Honour Speaker Michener on May 12, 1959, I would draw to the hon. member's attention a certain distinction which the Speaker at that time indicated was very germane to the nature of the amendment then before him.

I read from page 427 of the *Journals*—the second last paragraph on the page. The first sentence reads: "It is a resolution declaratory of a principle adverse to the main principle of the bill". This is not applicable

in my estimation in this instance. That would therefore dispose of the precedent as not being applicable.

Considering this question generally, it is competent for a member on second reading of a bill who desires to place on record any special reasons for not agreeing to the second reading of a bill to move as an amendment to the question a resolution declaratory of some principle adverse to, or differing from the principles, policy or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction or prosecution or otherwise opposed to its progress. I suggest that this amendment is not one adverse to a principle of the bill, but is one otherwise opposed to its progress or seeking information on its progress. Those words are generally contained in Beauchesne's fourth edition citation 382. I would point out to hon. members that it is a fundamental principle that no matter ought to be raised in a debate on a question which would be irrelevant if moved as an amendment, and that an amendment cannot be used for importing arguments which would be irrelevant to the main question. In this regard I would refer hon. member's to May's sixteenth edition at page 421. Again, citing May at page 531, I quote:

> The principle of relevancy in an amendment governs every such motion. The amendment must "strictly relate to the bill which the house, by its order, has resolved upon considering".

The proposed amendment clearly states that it has reference to section 23 of the main act. No provision can be found in the bill before the house which is related to that clause. Accordingly, if the provisions of section 23 of the act can be brought before the house by virtue of an amendment, I would submit that other sections of the main act could also be brought forward in the same fashion. Therefore, I would submit that the amendment does not oppose any principle or provision of the bill; in other words, the subject matter of the proposal is a substantive motion and an entirely new question unrelated to the bill before us. In the present instance I do not consider this amendment relevant to the bill being discussed; it is rather relevant to the act itself. But at the moment I respectfully submit that we are not discussing the act; we are discussing Bill No. C-63.

It is my opinion that the rule of relevancy is completely disregarded. If every bill that was discussed by this house was subject to amendments of this type which could stipulate that the bill did not contain enough and should contain something else, then there would be no relevancy at all.

In this connection I would refer hon. members to a ruling by Mr. Speaker Macdonald,

reported at page 237 of the *Journals* under the date of November 14, 1949. He said:

> On the second reading of an amending bill... it is the principle of the amending bill, and not the principle of the act to be amended, which is the "business under consideration". The discussion must therefore relate exclusively to the principle of the amending bill.

May I add that here, where we are referring to "discussion", we also include "amendments", which must relate exclusively to the principle of the amending bill.

In addition, if I may cite a ruling of Mr. Speaker Michener on December 13, 1957 while the house was considering a motion for the second reading of Bill No. 232 to amend the Income Tax Act, the then Speaker, as reported at page 2313 of *Hansard,* said:

> This is an act to amend the Income Tax Act and it is relevant, as I understand the precedents, to discuss the sections of the Income Tax Act which are to be amended by this bill but not to review the act as a whole.

With the greatest respect to the mover and seconder of this amendment, I am of the opinion that that would be the purpose of their amendment and that it is irrelevant, and I so rule.

Mr. G. R. Muir (Lisgar): Mr. Speaker, now that you have so skilfully cleared away the verbiage of this proposed amendment, I should like at this time to bring the house back to the discussion of the bill itself. I should like to speak briefly on this bill, because I feel that if Canada is to continue to prosper as a nation we must put forth every effort to increase and to enlarge our export trade both in primary and in secondary products. I feel very strongly that nothing should be left undone to continue our efforts to promote our exports, and I welcome the increase in funds from $200 million to $400 million which is to be made available to Exports Credits Insurance Corporation. The success of the operations of the corporation is best illustrated by the fact that over $1 billion of export sales have been insured since the first policy was issued by the corporation. During that time the corporation has been able to make a modest profit on transactions and has operated at no expense to the Canadian taxpayers.

Mr. Speaker, three years ago I had the privilege of sponsoring in this house a bill of incorporation setting up the Exports Finance Corporation. This was the first company in Canada to enter the export finance business. The charter of this company has recently been acquired by the chartered banks of Canada and is working closely with the Export Credits Insurance Corporation in promoting the sales of our goods and services abroad on a credit basis.

To a great extent we in Canada have overcome the problems of production, and I know that this is particularly true of agriculture. But it is in the area of distribution that much remains to be done. I think this government has faced up to this problem and that both industry and agriculture have benefited under the capable salesmanship of the Minister of Trade and Commerce and the Minister of Agriculture, both of whom have been inspired by the able leadership of our Prime Minister.

Recent sales of wheat have been encouraging. However, when one considers the levies imposed on our wheat by the European common market countries and the implications posed by the entry of our best wheat customer into that market, there is every reason to believe that Canada's grain business will suffer immeasurably unless we are able to find additional markets. I should like to point out to hon. members that while our wheat enters Britain free of duty, the levies imposed by the E.C.M. countries, according to the latest figures, are: Germany $1.94 a bushel; France $1.11 a bushel; the Netherlands $1.15 a bushel; Belgium $1.12 a bushel; and Italy $1.47 a bushel. It may come as a surprise to some Canadians to know that in the case of Germany, for instance, the cost of our wheat to the millers is approximately $4 a bushel. This represents a staggering hurdle for our wheat exports to surmount. Is it any wonder that our Prime Minister called for serious consideration by Britain of her entry into that market?

When we were debating the resolution when introducing this bill, the hon. member for Assiniboia pretended to express amazement that the minister did not have certain information in regard to the China wheat sale. Actually he was out of order, because the China wheat sale had nothing to do with the Export Credits Insurance Corporation. However, he expressed amazement that the Minister of Trade and Commerce could not give some answer which was statistical. He also condemned an hon. member this afternoon for his opposition to the sale as reported in certain newspaper articles. The sale was announced by the Minister of Agriculture, and as the hon. member for Assiniboia well knows—and surely he has not forgotten when the announcement was made—he called it a big hoax. He has had ample opportunity since that time to get any information with regard to the China wheat sale from the appropriate minister. I should like to suggest to him that any information he does get from the Minister of Agriculture he should pass on to his new leader, who seems to have a serious lack of understanding as far as agriculture is concerned. Hon. members well know that during the throne speech debate just ended, in which the Leader of the Opposition spoke for three hours and five minutes—

Some hon. Members: Order.

Mr. Muir (Lisgar): —no reference was made by him to agriculture.

Mr. Speaker: Order. I would suggest respectfully to the hon. member that he come back to the principle of this bill. It is not a very long bill, and I would suggest he confines his remarks to it.

Mr. Muir (Lisgar): With great respect, Mr. Speaker, the discussion on this bill both at resolution stages and on second reading has been a real free-wheeling debate. I know you have not been in the chair all of the time, but we have been discussing everything from agriculture to, well—

An hon. Member: Peanuts.

Mr. Muir (Lisgar): Yes.

Mr. Speaker: Order.

Mr. Muir (Lisgar): However, I will abide by your ruling, Mr. Speaker. In that regard it is interesting to read from an article appearing in the current copy of *Time* magazine. If you will bear with me I think I can point out to you the reason why I am quoting this particular paragraph. The article in *Time* magazine of October 12 states as follows:

> About the only base Pearson did not touch was agriculture; he lost his notes on the subject in the 80-page sheaf on his desk.

Mr. Speaker: Order. That may be all very interesting and appropriate under other circumstances. However, I think it does not lead to any progress in the discussion of this bill.

An hon. Member: Filibuster.

Mr. Speaker: I would ask the hon. member kindly to come back to the principle of Bill No. C-63.

An hon. Member: Send him a copy of the bill.

Mr. Muir (Lisgar): Thank you, Mr. Speaker. As a matter of fact, I had thought that was a rather weak explanation anyway. I think it would have been much more appropriate had it said that somebody else had called the tune but the Leader of the Opposition had lost the music.

An hon. Member: Joker.

Mr. Muir (Lisgar): Mr. Speaker, you have borne with me very well and I appreciate it greatly.

I wish to bring to the attention of the members of this house the seriousness of

our export situation unless we are prepared to make available the credits provided in this bill. This is so because of the risk involved in trade at any time, particularly export trade where political as well as economic situations must be taken into account. It is reassuring to know that the government through the Export Credits Insurance Corporation is assisting in making it not only more desirable but also more feasible for primary and secondary products to find markets throughout the world.

(Translation):

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I am happy to see that the government is taking another step towards the establishment of that export bank we, of the Social Credit party, are advocating.

It was also a source of great satisfaction for me to hear the hon. member for Danforth (Mr. Scott) suggest that the government increase the number of its low interest loans to foreign countries. That would be one way of helping other countries buy our surpluses. It would lower the level of unemployment in our country and it would help us eliminate our present trade deficits.

However, the thing that most surprised both my colleagues and myself was to hear the hon. member advocate interest free loans and support his suggestion by quoting a recent statement of the vice president of the world bank.

Loans without interest, that is what we, in this corner of the house, are fighting for, Mr. Speaker. However, we recommend that such loans be made available not only to foreign countries which are economically weak but to all Canadians as well.

It would seem that we are not the only ones to preach what is supposed to be a utopian theory and that, in the past few days, we have succeeded in contaminating all members of this house.

Whatever the case may be, I can tell the hon. member that the Social Credit party is in favour of loans without interest; indeed, we feel such a policy would be beneficial not only to the Canadian economy but to every private individual in the country.

Perhaps the minister should consider the advisability of changing the title of the statute since he himself cautiously admitted during the debate on Friday afternoon, that this legislation actually deals with banking operations, following our banks' refusal to engage in this type of operations.

Therefore, I think that if he admits in this house that the law is moving towards a banking system, the time has come to recognize it. I hope that before long he will submit to the house a bill to create an export-import bank, something that everyone wants and which seems to be the practical solution to Canada's economic problems.

Besides, by doing this, we would only follow the example set by other countries, we would only follow in the wake of other great countries which have their export-import bank, England and Germany for instance.

Mr. Speaker, I think we are all in agreement on the principle of the bill and that we could go on to another matter shortly.

(Text):

Mr. J. H. Horner (Acadia): Mr. Speaker, I do not intend to speak very long. However, I should just like to say a few words with regard to wheat sales. Much has been said on this bill to amend the Export Credits Insurance Act. This afternoon the leader of the Social Credit party made in the house some statement with regard to wheat exports and wheat sales. He stated that in the last five years of the Liberal administration more wheat had been sold than in the last five years of the administration of this government. From my seat I made the statement, although perhaps it was out of order, that this statement was not correct.

I felt that perhaps I should take a look into the record in order to ascertain whether I was speaking off the top of my head or whether I was right. I have before me the Canadian wheat board report for the year ended 1960-61. In the back of the book, in table 7, there is given a lengthy list, covering the years from 1937 to 1961, of Canada's wheat exports. If one takes the trouble to do a little bit of arithmetic he realizes that in the last five years of the Liberal administration they sold 1,460 million bushels of wheat. In the last five years of this government's administration we sold 1,604 million bushels of wheat or approximately 30 million bushels more per year. I am certain that the western farmers greatly appreciate this fact.

I heard this statement uttered throughout the spring of 1961—and I will refer to the hon. member for Timiskaming later on—knowing it was strictly for the birds that it was strictly a matter of taking figures and playing with them. I am pleased to have this opportunity of putting the correct figures on the record. The hon. member for Timiskaming, who has just now added some interjection which I did not catch, dealt at great length with the disparity between economic production in western Canada and that in eastern Canada. I shall deal with that subject perhaps at another time when it is more in order to do so than it is at present. I wish to tell—

Some hon. Members: Order.

Mr. Speaker: Order. I think we were importing from one debate to another when we were getting into these latter subjects.

Mr. J. R. Nicholson (Vancouver Centre): Mr. Speaker, when the resolution was before the committee I expressed concern over a question of principle involved in this new bill. I stated then—I might say that I have not talked with any hon. members who differ from this opinion and I have spoken with a number of them—that I did not see how there could be any opposition to the principle of the raising of the limit or the ceiling of credits which the Export Credits Insurance Corporation might extend in order to expand exports. But I was concerned and I still am concerned about the fact that I now find that this corporation, which was set up in 1944 to insure against foreign exchange risks and other matters of that sort, is going into the commercial banking field. The first move was made in 1959 when the limit was raised to $200 million, and loans in this major field were then predicated upon the approval or authorization of the governor in council. When authorized by the governor in council the corporation may guarantee, may lend money and may do these other things.

In the bill before us it is proposed that the governor in council jointly with the Export Credits Insurance Corporation will go one step further. The corporation will now be able to take notes in their own name from the importer in the foreign country. The Canadian exporter will be completely bypassed. Furthermore, it is proposed that the corporation can turn around and sell or discount the paper they have taken in their own name without the Canadian exporter coming into the picture at all. That is a most extraordinary situation if we study it, and my concern is not that we are going to expand credit from $200 million to $400 million but that we are going to put an insurance corporation into the commercial banking field. What is more, it is a field of banking where the government comes into the picture and where political pressures or influences may come into the picture. That is as clear as it can be. It is only when authorized by the governor in council that these moves can be made. It is not the bank that is instituting these things; it is the government.

Take the situation at the present time, for example. Loans totalling nearly $200 million have been made or committed and, according to the figures given by the Minister of Trade and Commerce yesterday, $107 million of that amount is for wheat sales alone and wheat sales to communist countries. I am not opposed to the sale of wheat to communist countries or to anyone else if they need food, but $107 million of this amount is for the sale of wheat alone under the theory that this is a loan to expand our exports to these countries. We are expanding one class of exports only, primarily wheat.

It does seem to me that it would be much more sensible if this additional credit facility were left in the hands of a banking institution. We do not necessarily have to create an export-import bank such as they have in the United States but surely by an extension of the provisions of the Industrial Development Bank Act we could cover a situation of this kind and remove it from the field of politics or political pressure completely. It is a matter of serious concern, Mr. Speaker, that we should find the government going into commercial banking when there is the possibility of political influence in the background.

Mr. Barry Mather (New Westminster): Mr. Speaker, it seems to me that, as on the resolution stage of this measure, we have got into a detailed debate on something concerning which I think all parties are in general agreement in that they are in favour of the legislation. I think we are wasting time and the question should be called.

Mr. R. C. Honey (Durham): Mr. Speaker, I want to be very brief in this matter and initially I wish to associate myself with the remarks of the hon. member for Assiniboia and other members on this side of the house expressing approval in principle of the bill and the expansion of credit to facilitate exports from Canada. I do not want to repeat the various commodities to which other members have referred in supporting the bill but I want to say this to the Minister of Trade and Commerce. I respectfully direct his attention to consideration of the use of the expanded credit facilities to bring about a larger market abroad for tobacco grown in Canada. In saying this I want to compliment the minister in general for what I personally conceive to have been a good job done by him during his term of office.

In my riding of Durham and in other areas of central and southern Ontario as well as elsewhere in Canada the growing of tobacco is an important industry. It is an industry that can facilitate our economy generally particularly if export markets for tobacco can be located and developed. If we can locate and develop export markets we will have a tremendous opportunity to throw away the existing bonds of acreage control which now govern farmers engaged in the production of tobacco and thus expand this industry substantially in Ontario and other parts of Canada. I say that this is one very useful industry in which this additional

credit could be employed and I commend this thought to the minister for his consideration.

Mr. Charles M. Drury (St. Antoine-Westmount): Mr. Speaker, as this is the first time I have had the opportunity of rising with you in the chair may I add my felicitations and congratulations on your election to the numerous ones already extended to you by other hon. members. I have already spoken on the resolution stage of the bill and my remarks now will be very brief, I hope.

With respect to my remarks on the resolution I indicated at that time, as have a number of other speakers, approval of the method in which the business of the corporation has been conducted since its inception. I repeat that, and my suggestion tonight is rather a logical conclusion to this summation. The minister in introducing the bill said that it had two main purposes. One was to increase the authorization and scope of the business of the corporation. The second was the elimination of unnecessary red tape and government formalities. In respect of the latter I might suggest we look in particular at the financial—if one may call it that—history of the corporation.

The work of the corporation, or its functions, may be divided into roughly three categories. One is that of insurance to which the hon. member for Vancouver Centre (Mr. Nicholson) referred. In respect of the insurance function the act originally provided that the insurance business would be conducted entirely by the officers of the corporation and the board of directors. Subsequently when the business of the corporation was to be expanded, an additional provision was made whereby for business which was assumed to be outside the normal course of the operation of the corporation, namely in respect of special commodities or in respect of some sums which were in themselves, or singly very large, and in respect of countries to which the proportion of credit seemed to be unduly high, then additional business could be conducted solely upon authorization of the governor in council; and while the powers of the corporation to transact business on its own was limited to the sum of $100 million, an equal sum was provided for the transaction of business under authorization of the governor in council.

Subsequently there has been an increase in the authorized subscribed capital of the corporation with the result that the corporation can now transact business on its own in the amount of $200 million as against the original $100 million, and the amount of business subject to the authorization of the governor in council has been raised to $200 million.

The proposal in the bill tonight is to raise the ceiling, for the type of business which requires the authorization of the governor in council, from $200 million to $400 million.

I would suggest to the minister that in view of the excellent record of the corporation, and having in mind that the business of the corporation appears to have expanded very substantially right across the entire spectrum of the kind of business it does, it would be more appropriate, and would cut out a considerable measure of the government red tape for which the minister rightly has some disdain, if instead of increasing the authorization under which business can be done with the authority of the governor in council the authorization could be increased under which the corporation can do business in its own name.

Unfortunately I have not a specific amendment to suggest but would merely like to commend this to the attention of the minister.

(Translation):

Mr. Maurice Cote (Chicoutimi): Mr. Speaker, I feel that the majority of the hon. members of this house agree upon the principle of the bill.

We are particularly interested in two aspects of the measure, the financial aspect and the social aspect.

If, for example, this legislation is such that it will open to us the doors of South America especially, then it becomes hard to reject, because it must be realized that South America is made up of countries with which we have much in common on the spiritual plane and to which we must give special assistance.

Therefore, this legislation must enable us to have our doors wide open for South American countries. That is why, as regards the principle of the bill, I think we agree.

However, the financial side of the legislation must also be taken into account. I do not think it wise that the funds required to increase the social capital provided for under the legislation should be drawn from the tax capital. We must use the funds available at the Bank of Canada, because it is the country's bank, and its funds must be used especially to increase the social capital of the Export Credits Insurance Corporation.

Those are, Mr. Speaker, the two points I wanted to raise concerning this bill, its financial aspect and its social aspect.

(Text):

Mr. W. H. McMillan (Welland): Mr. Speaker, the resolution stage provided for a bill to double the amount of insurance available under section 21 of the act and to provide further for certain changes in connection with its administration. I suppose this is a minor point, but under section 14 of Bill C-63 there is a provision for a change in the liability of the corporation. We did not have notice of that and I am glad to have an opportunity to talk about section 14 as otherwise I would be out of order.

When speaking the other day on the resolution stage the minister said we should go back to our constituencies and call to the attention of small exporters that the facilities provided by the act would be freely available to them. I believe this should be done but I have found that the small occasional exporter, such as the man who might sell three, four or five carloads of pulpwood or two or three carloads of processed pulp to the United States, is not aware that he can qualify under section 14 of the act.

I also found that there is some confusion in the wording of the act. For instance the word "exporter" has three or four definitions. "Exporter" as it applies to section 14 and to most of the act is defined as one who exports or agrees to export goods from Canada. In section 13 this definition is enlarged to include Her Majesty in right of Canada.

Mr. Speaker: Order. I am wondering whether the hon. member is going to produce any argument in this regard because it seems to me he is embarking on consideration of various sections of the act and not on consideration of the bill. At this stage we are discussing the principle of the bill, which is to increase the capital from $200 million to $400 million and also to carry out certain administrative amendments. I find a little difficulty in following the argument of the hon. member at this stage. He may have a point that is quite related at a later stage, but if he is only using this as an illustration of his argument on the principle under discussion then he may continue. On the other hand if his argument is going to be along the lines he is suggesting, perhaps he could defer it.

Mr. McMillan: I was just bringing it up in so far as it referred to small exporters, and I know that some of them, in written legal opinion, have been told that they did not qualify under the act in that they were not regularly employed as exporters. I am willing to defer that question to a later time when this bill is under consideration in committee. However, Mr. Speaker, I would say that this act has been a good one. It was introduced into this house in 1944 and helped to make Canada the third trading nation in the world. I think we were the first nation, on a per capita basis, in this respect.

I think it is all the more important, therefore, to bring this measure forward now in order to do everything we can to help our exporters, because in this country one in every five jobs depends upon our export trade. It is all the more important to do this at the present time because our position in world trade has fallen from third to eighth or ninth place.

I should like to ask the minister, in regard to exports to Cuba, whether any use has been made of this act by anybody. The minister explained the export of wheat to China very satisfactorily yesterday. I should also like to know, when the minister replies, whether or not the National Steamships' ships sold to Cuba were in any way sold under this act; also, whether we have received any payment in respect of those ships, and who will be assuming the loss, if any has to be assumed.

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

Clause 1 agreed to.

On clause 2—*Limit of liability under contracts.*

Mr. Laing: Mr. Chairman, in connection with clause 2 the important point, of course, is the change from $200 million to $400 million. I think this is an appropriate time for us to have a statement from the minister in respect to the priorities of our exports. In the discussion thus far there has been a great deal of attention given to the export of grains and raw materials of various kinds. I would have thought that in a measure of this kind we should first of all endeavour to assist the export of Canadian products abroad which contain as high a content of Canadian labour as possible. I think my hon. friend from Okanagan Boundary made that statement, and I saw him some time ago applaud wildly when the statement was made that the record to date was good. I say to him that as far as his own area is concerned, rather than supporting the sale abroad of Okanagan apples—they require no credit, of course; they are of such high quality—he should be much more interested in the sale of mechanical giraffes. My hon. friend from that area has a firm that not only invented a machine but has sold it, I think, widely around the world, which carries men up to the tops of poles, and so on, to put on wires. I think they are in Ontario as well.

I am asking the minister now whether any attention is given to selectivity so far as the

extension of credit is concerned, so that we can as far as possible sell those products which are invented in Canada and are new to the countries to which we sell them; in other words, give the corporation in Canada a leg up in that market in connection with articles that are so good that thereafter the country will demand them and find the money to pay for them.

It seems to me this should be the first interest of this corporation, rather than the unloading of vast surpluses of raw materials. I regret very much that in the experience we have had thus far the great proportion of the credit extended seems to have been for the unloading of surplus materials which we could not otherwise sell. I am not disparaging the sale of wheat, but I know something about farming and I wish to tell hon. members that I saw in the area of the Peace river country not very long ago one farmer with a considerable amount of machinery, one man, who this year swept the crop off 755 acres. This is not maintaining a great number of Canadian homes.

If we wish to take care of the unemployment situation in this country we have to emphasize and advance quickly those goods which employ an increasing amount of Canadian labour in their manufacture.

Mr. McDonald (Hamilton South): Mr. Chairman, I was very interested in the remarks of the hon. member from Vancouver South, but I would point out to him that the assistance of credit from this corporation is available to everyone in the export business who solicits help. Speaking of priority, I should like to ask the minister this question. Under section 21(a) of this act, where it is necessary for the governor in council to extend long term credits, is there anything new in regard to the proposed sale of $30 million worth of railway cars of high Canadian labour content which are manufactured in Hamilton? Also, has the corporation given any consideration or discussed with National Steel Car of Hamilton their negotiations with the government of Argentina, South America, so as to ascertain whether it will be feasible to extend long term credit to that government? I understand National Steel Car of Hamilton is negotiating in this respect.

I think this is a prime indication that our government is not only looking after the interests of the wheat farmer and the agricultural part of the community, but has been actively engaged in helping manufacturers of heavy equipment to try and get into the markets of the world with the assistance of long term credit.

I would point out that section 21(a) is the only part of the act under which the governor in council is required to give authorization. The rest of the act may be acted upon by the corporation without this authorization.

Mr. Hees: Mr. Chairman, if I can keep current with these questions, I should like to do as I did at the resolution stage and answer first the question of the hon. member for Vancouver South. The hon. member expressed concern that the facilities of the corporation under this act are used mostly to dispose of surplus commodities, as he rather disparagingly refers to them.

Mr. McIlraith: Not disparagingly.

Mr. Hees: He was rather downgrading them, as I understood it. I should like to ask him, and any hon. members of the official opposition, to stand up and say if they are against the assistance which this government has given to the sale of wheat to many countries of the world. I have heard them make, for a long time now, and it makes me a little annoyed to keep hearing them over and over again, as many snide cracks and disparaging remarks, it seems, as they possibly can against our assisting wheat farmers to get rid of their wheat, for which we are paid. We are not giving away any of our wheat surpluses.

Mr. Argue: That was Social Credit.

Mr. Hees: We are being paid for them, and the arrangement is greatly beneficial to the farmers of Canada. I should like to ask hon. members on the other side to tell us once and for all whether they are in favour of assistance to our wheat sales or whether they are not. If they are not, let them get on their feet and say so.

Mr. Laing: Because my name has been brought into this argument by the minister I think I might say a word or two. He said I had been downgrading farmers and speaking in a snide voice. I did none of those things, as hon. members well know. I did suggest that we should have priorities and that priority should be given to the expansion of export of those products which have a high labour content. I want to tell the minister that I personally am in favour of the sale of all Canadian commodities abroad, including wheat, but let us have an insistence upon those things which employ most Canadian families and keep most Canadians at work.

Mr. Hees: I am glad the hon. member brought that up because the operation of section 21(1)(a), which this government brought into operation to provide a service to exporters and business people in this country of ours, does precisely that. It was a service for which they had asked the government of

the party to which the hon. member belongs for many years without any results whatever. They asked the government for it in those days and were turned down. Finally, we produced a long term financial arrangement, and if the hon. member would just read this act instead of just talking about it, he could see what the requirements are. The basic requirement in section 21(1)(a) with regard to assistance for long term financing is that there must be at least an 80 per cent content of Canadian parts or products.

I should like to remind the hon. member again that in the operation of this section this government is providing the businessmen and exporters of this country with a service equal to that provided by any government in the world, if not better. That is something which the former government steadfastly refused to do, and the result of this neglect was to handicap the exporters, manufacturers and shippers of this country. It was a case of refusing to meet their legitimate demands. By taking the action we have, assistance has been given to Canadian producers of capital goods—goods with a high labour content—in selling over $50 million worth of their products.

At the present time negotiations are actively being conducted with regard to a further $75 million worth of such products, and we hope that sales will be made. Such sales never could have been made but for the policy being followed by the present government. I want the hon. member to know that since it began operating in 1944 significant results have been obtained in just those categories to which he made reference. I will mention three different commodities, all of which have a large labour content. This corporation has insured $49,525,000 worth of flour; it has insured $138,312,000 worth of farm machinery; it has insured $116,995,000 worth of steel. I mention only three products, but the list is a very long one indeed. I say to the hon. member for Vancouver South and to other hon. members opposite that this corporation exists for the sole purpose of providing insurance and long term financing covering every type of product. As I said in my opening remarks it covers every type of commodity and every type of producer in all parts of Canada.

Again I ask members of this house to let their constituents know that this service is available to them. We hope they will come to us and use the services of this corporation. The doors of this corporation are always open, as are the doors of the ministers of this government. We exist for the sole purpose of helping Canadian producers help themselves to increase sales of all Canadian commodities in all parts of the world. I assure the hon. member that we are trying to sell every type of commodity in every way we can every day of the week, and I am told by businessmen of this country that the activities of this government compared with those of the government which preceded it are as night is to day—they are the night, and we are the day.

The Chairman: The hon. member for Rosedale did rise earlier, as a matter of fact, but I did not see him. I apologize for not having done so, because he had hoped to speak on clause 1. I hope the committee will allow him the latitude he deserves because he did not have that opportunity.

Mr. Macdonald (Rosedale): Thank you very much. I wish to address a question to the minister with regard to the term "capital surplus" which occurs in the clause and also with regard to the financial position of the corporation. What function does the capital surplus perform? In a public commercial corporation I can see it might have some relevance but in this case I would suggest that the entire holding be capitalized as subscribed capital and the category of capital surplus thereby eliminated. There would therefore be no necessity for such words to be used in clause 1 and they could be deleted.

Mr. Hees: I am sorry. It may be the acoustics or in the way the hon. member is speaking, but what he is saying is not clear to me. Perhaps he would repeat what he has said.

Mr. Macdonald (Rosedale): What function does capital surplus represent on the balance sheet of this corporation? I am suggesting to the minister that the entire holding should be represented by the subscribed capital of $10 million. The necessity for carrying a capital surplus account and for introducing the two words in clause 1 might therefore be eliminated. It may be there is some historical or statutory reason for this surplus and I would appreciate the minister's advice on this point.

Mr. Hees: I am advised that the corporation was set up in 1944 in this way for the following reason: the $5 million of capital surplus was there so that if there were any losses in the first few years the actual capital of the corporation would remain intact.

While I am on my feet, I should like to answer the question raised by the hon. member for Hamilton South regarding Argentine box cars. The history of this is that three Canadian box car companies were negotiating with the Argentine railway companies for the sale of box cars valued at some $35 million. There was also a prospect of selling

another $25 million worth of Canadian products, which have a very high labour content, and we were doing our best to help these companies under section 21(1)(a). During the negotiations there was a change in the Argentine government and the decision to place orders was deferred. As far as we know at this time, the possibility of Argentina placing orders in Canada for box cars still exists. I was talking to one of the gentlemen concerned just yesterday about it. I know that the negotiations are still active. I can assure the hon. member for Hamilton South, who has been very active in this and shown great interest, and also the hon. member for Pictou, who has shown a tremendous interest along with the hon. member for Hamilton South, and who has seen me many times on a number of occasions, that the corporation and the government are continuing to extend every effort to help in every way they can these three Canadian companies who are trying so hard to land this very important order for box cars which will be of great benefit to the economy as a whole and to employment in general in these three important areas.

Mr. Laing: Mr. Chairman, I do not want to start the minister off on another flaming peroration, although he can start off anyway he likes if it would help us, but I would ask him to tell me where we find in the act reference to the 80 per cent labour content?

Mr. McIlraith: You cannot; it is not in it.

Mr. Hees: It is not written into the act.

Some hon. Members: Oh, oh.

Mr. Hees: You are talking about a section of the act that you never even bothered using. As another example of the constructive approach of this government to problems of this kind, to make sure that a high Canadian content should be contained in products for which we provide this export financing, it was the decision and the practice of this government that we would not grant this long term financing under section 21(a) to projects which did not contain 80 per cent content.

Mr. McIlraith: Mr. Chairman, the minister, under the guise of discussing the matter before the committee, has gone into a mass of detail which does much to damage the administration of the act. One of the problems facing exporters and producers in this country at this time is the feeling of uncertainty in the absence of government policies. When we have before the house an amending bill in respect of an act which has worked rather well since its inception in 1944, an amendment on specific points of the act in order to bring it up to date so that it will meet the conditions of 1962 and 1963, instead of making careful statements of policy of the government which could be relied on by industry, we get the inaccurate and confusing loud speeches of the minister, such as the last three he has just made to the committee tonight.

First of all, I want to point out some of the inaccuracies, and I do this for the benefit of his understudy from Oxford, who does not seem to be too familiar with the effect of the operation of the act on the economy of this country, or its implication as evidenced by his little travelogue a few days ago when this measure was at the resolution stage.

The first inaccuracy has to do with his rather windy question, after some orations about the wheat sales in western Canada. Since those wheat sales were first announced, two things have become abundantly clear. One is that the government would not give the proper information to the House of Commons. That is supported by the record of the last parliament; and if any hon. member requires further elucidation, he can get it from *Hansard* of the last parliament.

The other matter which is abundantly clear is that all members of the House of Commons concurred in and approved of the sale of the wheat to China, but some hon. members asked about the irregularity of taking taxpayers money and using it without the approval of the House of Commons for the purpose of granting credit to communist China. That was the point of issue in that transaction, and that is the point that was slurred over by the minister tonight when he asked hon. members sitting opposite the government if they approved those sales. If they had said yes, then he would have come out and said that they approved of this irregularity in guaranteeing the $100 million, and of using public funds improperly instead of using them under the two legal means available to the government in getting that credit. Indeed, at the resolution stage on Friday he indicated that this measure now before us could and would be used to finance this kind of sale, and he indicated the sales to other communist countries which had been dealt with under this act. They are some of the inaccuracies so far.

Then another inaccuracy was in talking about the 80 per cent content requirement. That is not in the legislation. That is something which the government has imported of its own accord into its administration of the act. It is interesting that he has chosen to do it that way rather than to put it in the act. I would suggest to hon. members opposite that if the government is importing conditions of this kind, although I think this one

is satisfactory, when will there be a condition imported that will not be satisfactory?

I suggest that the real question is involved in this clause of the bill and the one following, and that is that we are providing the governor in council with $300 million of authority, to be spent on different competing contractors in this country, which is to be allocated on the say-so of the cabinet to one particular contractor or exporter as against another. There is a very grave danger there. While desirable to over-all trade, under a careless or irresponsible government—and we have heard the speech of the minister at Ghana in the trade field about applying patronage methods—this clause can be very sinister. I think it would better serve the exporters of this country if he would speak carefully and outline what the government's policy is with respect to its administration of this very large sum of money being granted by this house for the benefit of our exporters in order to enable them to compete in export markets. That is the kind of statement we want from the minister.

Then there are other remarks which the minister made about the use of the act and the use the former government made of it; and he went on to say that there was the difference of night and day between the two governments in the whole field of trade. That, Mr. Chairman, is perfectly correct; there is all the difference between night and day. Under the former government there was prosperity in the country. What the exporters required in those days, as anybody who reads the legislation and follows it in relation to the times, and who reads the debates when it was passed, well knows, was insurance because of the currency difficulties of foreign countries. It was not a matter of Canadian exporters not being able to compete in those days with foreign countries; it was a matter of insuring the risk in collecting the money from foreign countries. Indeed, part II of the act still before us dealt with another situation where governments in the war devastated countries were so disorganized that they could not provide the currency because of their exchange difficulties. That is the kind of criterion which had to be the test of legislation in those days.

The minister talks now about the former government's not passing the amending clause to this act. That was not required until the re-establishment of industry in west Germany, Great Britain, Italy and those other countries when they became competitors with our manufacturers and exporters. That was the reason section 21(a) became so necessary and so desirable. But that section 21(a) was not required when those countries had their industries devastated and were not in a position to supply world demands.

Hence when the minister makes loose and careless statements about the former government in relation to this legislation, he shows a lack of understanding of the problems affecting industry. That is the kind of thing that destroys confidence in the country and indeed contributes to the economic difficulties in which this country finds itself. While the minister's excursions into some of his barnstorming political talks may be interesting and amusing to members of the committee, perhaps he could arrange another forum for them—

Mr. Nesbitt: Don't be bitter.

Mr. McIlraith: —and could here bring before hon. members matters which are relevant to the bill before us and which would do something to assist production in this country and the exporters of this country. Indeed, when he was asked a question having to do with assisting exporters who would provide a large amount of employment in this country, I would have thought he would have been very careful to deal responsibly with the question, as the problem of lack of employment for people in this country must surely weigh heavily on the minds of all hon. members on all sides of this chamber.

Mr. Hees: I was most interested to hear the hon. member for Ottawa West harking back to what he would consider the good old days, the 22 years when patronage really ran rampant. From listening to him talk, you would think we were doing the kind of things that happened when they were in power, when deals were made with specific firms that were friendly and so on. That is something that does not happen any more.

Mr. Crestohl: That was when the act was born.

Mr. Hees: I wish to tell hon. members that it was made very clear to all Canadian producers that any terms which are made available to any one producer are available to all producers of that commodity. I know the hon. member is amazed to hear that statement, as that sort of thing never happened during the 22 years during which his party was in power. However, it happens now and it has happened under this government ever since we took over office and cleaned things up five years ago.

The hon. member says he wishes I would explain carefully to him and those on the other side exactly the terms under which people can get this extremely valuable export financing. If he wishes to know what the comparison is in the minds of businessmen

and producers in Canada as to the satisfaction given by this government and the corporation operating under this government, and what happened five years ago, all he needs to do is to ask any five, 10, 15, 20 or 100 producers. They will all tell you straight who they think are on the side of the producers and who they think were out to block them in the old days when nobody in Ottawa seemed to pay very much attention to them.

I wish to tell the hon. member this. If he wishes to know how this corporation, or anything else which this government operates, is functioning, all he has to do is to search for the information or ask me or ask the president of the corporation, or anybody else connected with it. There are two pamphlets that are available to him. If he had only the initiative or the interest to ask for them, he could get them by going down or by asking me and I would have had it sent up, a little pamphlet called "Government Export Financing". All he had to do was to turn over a couple of pages and here he would find a heading written plainly, with black on yellow that anybody can read, "Eligibility for Financing" under which appears the following:

> The guiding rules that determine the eligibility of transactions for financing are:
> 1. that the extended credit terms are clearly necessary and justifiable;
> 2. that the transaction gives promise of continuing export trade;
> 3. that the Canadian content is of a high order, in the range of 80 per cent or better;
> 4. that the transaction gives rise to significant employment and industrial benefits in Canada;
> 5. that the export transaction is substantial in value;
> 6. that the foreign buyer and the country of purchase have a satisfactory credit standing.

Those points are made. That also is written very clearly at page 16 of another very valuable pamphlet entitled, "Export Credits Insurance Corporation, What it is and How it Operates". It is free for the asking. It is in both of those pamphlets for anybody who wishes to ask for them. Hence, once a proposed transaction meets these requirements and it is granted to any one firm who may inquire about it, it is available to any firm or any producer in Canada who shows an interest in having those terms made available to him.

Mr. Howard: At the outset, Mr. Chairman, inasmuch as this is the first opportunity I have had to say anything in committee, I should like to extend to you on behalf of the members of this party our congratulations on your attaining the office you now hold. We look forward to working with you intimately on all matters over which you will be presiding. Now that this family squabble between the Liberals and the Tories has perhaps reached some sort of end, maybe we can get back to the meat of the subject before us.

First, I should like to say that this self-adoration which the minister heaped all over himself reminds me that perhaps his position is that of acting prime minister today. That is a position to which I am sure he is not objecting. However, it really is a bit sad to hear the minister gloat so openly and so profusely about a particular change that was made in the act in 1960-61, namely section 21(a). He lauded this as one of the most progressive steps that he and his government had made in the field of assisting our exporters in this country.

I just contrast that statement made by the minister with what he had to say on October 12 when this matter was at the resolution stage. The minister, in dealing with section 21(a) about which he is now gloating, admitted that it came into effect by default and that really he or his government had nothing to do with it; that it was not a question of any great desire on the part of the minister to do something proper and correct for our exporters and for the economy of this nation but it was something that arose by default. What does the minister say about it? As found at page 474 of *Hansard*, when dealing with these great free enterprisers of whom he is so greatly enamoured, he states as follows:

> Well, Mr. Chairman, the operation which the Export Credits Insurance Corporation carries out under section 21(a)—

That is the one about which he was gloating a moment ago as being a mark of leadership on his part or on the part of the government.

> —was literally forced upon it by the unwillingness of Canadian banks to perform this function for our exporters.

Private enterprise failed. Because private enterprise, so-called, failed, the minister then gloats about it and lauds this as one of the principal things that has been done by his government and condemns the party opposite, which is now the official opposition, for having failed to accomplish something like this in the 22 years in which they were in office. In essence, so far as I am concerned, the Liberals would have done precisely the same thing if they were forced into it, not by way of leadership, design, intimate concern for the exporters of this country, or concern for the undeveloped nations, the one element in the world with which we should be concerning ourselves; no, Mr. Speaker, by default and by default only. I will disregard for the moment these comments on the side that impinge upon my ear. I would gladly deal with them if those making them would do so

in a loud enough voice so that other hon. members could hear them and so that they would get on the record. Let them do it in the proper fashion.

In the clause with which we are now dealing we are concerned and should be concerned with what this parliament can do with respect to assistance to underdeveloped countries. These are the people in the world with whom we are going to have to concern ourselves if we have any concern about world peace at all. These are the countries that are emerging economically, socially and politically. These are countries which are practically stone broke. These are countries to whom we have to give some assistance. These are countries which we have to help along the economic road. These are countries that cannot now afford to buy the things they would like to buy and we as a nation are being niggardly about it. We are complaining about the fact that we are exporting raw materials when we have surpluses of them everywhere and we do nothing worth while except when forced into the position of acting when our great banking and financial institutions fail to act.

All the minister has to do is to read his own words from pages 474 and 475 of *Hansard* for October 12. Not only should he read them but let them have some meaning for him. If these words really do mean something to you, Mr. Minister, and to your government then you will take some steps to amend this particular section to provide the same things as were provided under section 23 of the act as it existed in 1952 and as was the case prior to 1948. You will take steps to ensure that the governor in council will lend money to other countries that cannot afford to buy our products and thus help them to build up their economies so that their income will be sufficiently large for them to be able to pay for these things eventually.

We have to extend assistance to them and we are not going to assist them and assist our exporters to any marked degree so long as the government persists in carrying on the same sort of verbal fencing that the Liberals did for the 22 years they were in office. Unfortunately that is all you are doing, just gloating about something that you came upon by accident and indicating that this is the sole effort you are putting forward so far as this country is concerned. Again we have these inane gentlemen over here interjecting. I used to be able to call them the gentlemen opposite. I still can in one sense, but while the line of demarcation between us is very thin it is a gulf that will never be bridged so far as I am concerned because this government—I do not know whether my friend realizes it—is only concerned with buttressing the faltering free enterprise system at every opportunity.

Mr. McIntosh: What would you suggest?

Mr. Howard: My friend says, "What would I suggest". I just suggested something.

Mr. McIntosh: All I have heard you do is use the word "gloat" about forty times.

Mr. Howard: You remind me of my aunt's parrot. All you are concerned about is asking questions. You are not concerned about getting an answer. I will tell my hon. friend the answer if he will listen. I do not know if it will do him any good to listen but I will tell him anyway. I have already told him quite distinctly that we should amend the act to provide precisely what was provided in what was section 23, which the minister's department removed in the consolidation, and make arrangements so that the government of Canada can, and I quote, "make a loan to the government or any agency of the government of any such other country to enable such government or such agency or any person ordinarily resident in such other country to pay the cost of Canadian-produced goods purchased from an exporter or the cost of Canadian services". That is one item.

Mr. McIntosh: Do you want us to go against the Speaker's ruling?

Mr. Howard: Once again, Mr. Chairman, I appeal to you to protect me against these inanities. As I indicated earlier, the hon. member is like my aunt's parrot. He is not interested in an answer but merely wants to repeat the question.

Mr. Winkler: A pretty smart parrot.

Mr. Howard: I have given an answer, not in my own words but in the words of the section of the Export Credits Insurance Act as found in chapter 105 of the Revised Statutes of Canada, 1952, an answer which was the answer of Canada prior to January 1, 1948, after which time the section no longer had validity. If we had had a Liberal government with any sense about these things they would have re-enacted the section or brought it into force again so that we could have used it. There is one of the answers, one of the things that we suggest.

My friend may interpret the Speaker's ruling differently from me, but I should like very much to have the minister explain to us, in simple, uncomplicated terms so that his own followers can understand, what the government is going to do about this very important question raised initially by my friend from Danforth and mentioned by other hon. members. That important question is,

what can this country, Canada, what can this parliament, a group of minorities, do by co-operation to ensure the highest possible degree of export of Canadian made goods and thus improve our own economic structure and also assist other countries in the world community to participate in economic development?

Mr. Hees: Mr. Chairman, I am very glad to answer that question in the few minutes left this evening. What the hon. member and his colleague from Danforth have asked is that we should provide long term loans to developing countries. This is, as I pointed out earlier, one of the purposes of section 21(a) as it operates at the present time and as it will operate more efficiently when the present bill is passed. I might say that section 21(a) already provides no less than $300 million for this exact purpose. Already contracts under section 21(a) amounting to more than $50 million have been signed and commitments have been given for additional business totalling $75 million, all in developing countries.

As an example of the type of loans being made under section 21(a), I can mention the $25 million credit extended by Canada to India and the $15 million credit to Pakistan. In addition to this amount of aid to developing countries the government assists such countries by Colombo plan aid amounting to $50 million a year, aid to Africa amounting to $10.5 million, aid to the West Indies amounting to $10 million, technical assistance aid to French language commonwealth countries and, lastly, our participation in the international bank for reconstruction and development and its associated organs, one of which is the international development association. The international development association was established to make so-called soft loans, somewhere between a loan and a gift, to the developing countries, and Canada's contribution in this respect is $38 million.

I think that gives a pretty good idea of what this government is doing to help the developing countries about which the hon. member has just spoken. I think all hon. members will agree that Canada today is doing her share in helping these very worthy developing countries to develop and help themselves.

Clause 2 agreed to.

On clause 3—*Power to lend or guarantee, etc.*

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask if there is any change in the order of business as announced on Friday and, if there is, what will be the order of business for tomorrow?

Mr. Churchill: Mr. Speaker, we shall carry on with this bill, No. C-63, as the first item tomorrow. We shall then deal with the resolution in the name of the Minister of Agriculture which is No. 17 on today's order paper, dealing with the Farm Credit Act. The third item will be second reading of Bill No. C-3, an act to amend the Food and Drugs Act.

I doubt very much if the house will get further than that tomorrow but, if it does, there are some items on the order paper which would not consume too much time and might be fitted in. If there is a short period available I would suggest that hon. members be ready to deal with item No. 9 on today's order paper, second reading of Bill C-58, an act to amend the Carriage by Air Act, in the name of the Minister of Transport; No. 10 on today's order paper, also in the name of the Minister of Transport, respecting public harbours, and if the house moves very quickly we might even take No. 23 on today's order paper, also in the name of the Minister of Transport and dealing with the Aeronautics Act.

Mr. Chevrier: May I ask the house leader what has become of the resolution which he called in the third place on Friday, having to do with redistribution?

Mr. Churchill: It is still on the order paper, Mr. Speaker. The reason I have not called it is simply because we did not move as quickly today as we anticipated. I thought we would have finished the bill dealing with the Export Credits Insurance Corporation and the resolution on the Farm Credit Act; but obviously we cannot complete them and the food and drugs measure plus the electoral boundaries resolution tomorrow.

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

HOUSE OF COMMONS

Tuesday, October 16, 1962

The house met at 2.30 p.m.

TRADE

U.S. TRADE EXPANSION ACT—MESSAGE FROM PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I sent a message to the President of the United States following the enactment of the trade expansion act, and instead of summarizing I think it would be appropriate if I were to read that message, containing as it does the views of the Canadian government in connection with the momentous step taken in the passage of that legislation. The message reads:

Dear Mr. President:

With the enactment of the trade expansion act I wish to let you know that the Canadian government welcomes this important development in United States trade policy which holds out promise for significant progress in the expansion of world trade on a multilateral basis. This is indeed an historic accomplishment.

At the commonwealth prime ministers' conference in London last month I proposed that all like-minded nations should meet at an early date to consider how the great problems of trade facing us today can be dealt with to the mutual advantage of all. I would like to follow up this general proposal with a specific suggestion for an early meeting on these matters. It is vitally important that we find effective ways as soon as possible for dealing with these complex and urgent trade problems. It appears that the most convenient way of arranging such a meeting would be to discuss these broad trade questions at a meeting of ministers.

The Canadian government looks forward to participating fully in these efforts and to working with the United States and other nations to achieve the objectives which we hold in common. It is our conviction that the opportunities now opened up for wider co-operation in trade and economic relations will make a major contribution to the further strengthening of the free world.

Trade relations between Canada and the United States are characterized by mutual understanding and a constructive approach to our common objective of freer, non-discriminatory trade. These new efforts to expand world trade will provide continuing opportunities for our two countries to work closely together each in a full understanding of the other's interests and aspirations.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the house will have listened with great interest to the statement of the Prime Minister in regard to the trade expansion program of the government of the United States, which has received the approval of congress. Mr. Speaker, we on this side have supported this proposal, in so far as any persons outside the United States can support a program of this kind, since it was first introduced by the President as one of far reaching importance, both constructive and imaginative in its scope. It is indeed, as the Prime Minister has said, an historic accomplishment on the part of the administration of the United States. It is important for Canada and other countries to associate themselves with this kind of initiative so as to make sure that the step taken in Washington can be followed—indeed, preceded if possible —by steps taken in other free world capitals so that obstacles to trade can be removed in all free countries.

For that purpose, we have felt that the best move which Canada can make at this time is not to call a general conference of the kind indicated by the Prime Minister, which among other things would overlap a proposal made at the United Nations for that purpose, but to associate ourselves with the United States, the United Kingdom, and the economic community in Europe to reduce barriers and to extend the reduction of those barriers under the most favoured nation clause to all free countries.

Mr. Speaker, steps to this end can be taken through the machinery which is now available. It was interesting to note that at the Seigniory club yesterday the United States assistant secretary of state for economic affairs indicated that he felt the Canadian government could make a substantial contribution to freer trade by joining with the United States and other countries in working out a basis for negotiations on tariff reductions expected to begin before long. As he put it, Canada and the United States should be prepared to make short run adjustments for the sake of long term benefits.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it is interesting to note, I think, that we who sit on the benches opposite the government have some measure of agreement on this particular statement which has just been made. However, we are convinced that the only way in which the freest possible exchange of goods among the nations of the world can be accomplished is by the lowering of tariff barriers. While we are also agreed that a world trade conference is of urgent importance, yet let us also remind ourselves—and I trust that the government is doing likewise—that we must start some place and do so soon. In this regard I think that the

best instrument we have and likewise the best instrument which our neighbour to the south has is to be found in the relationship that must continue to develop between our two countries.

Again I come back to this factor, namely that one of the soundest bases for the beginning of what we understand to be a freer exchange of goods through the lowering of customs barriers, could well start within the commonwealth. After all, it must start some place. It is therefore our opinion that first with our neighbour to the south but immediately also within the realm of the commonwealth we must take action that will bring results in the immediate future. Unless we can free the restrictions that today limit the exchange of goods among friendly nations, we will not be able to meet the financial crisis we are in.

We are pleased that this step has been taken. However, again let us be practical in understanding that we must start some place and do so very soon.

Mr. Reid Scott (Danforth): Speaking for the New Democratic party, Mr. Speaker, may I say that we should like to associate ourselves with the words of the Prime Minister in welcoming the passage of the United States trade expansion act. As all hon. members know, this act is one of the most imaginative and far reaching to appear on the world scene for many years. It holds out the hope to all the free nations involved in it for a gradual lowering of trade barriers. It is the one weapon which may effectively be able to facilitate British entry into the European economic community and bring down the external tariff wall. It will also in all likelihood provide greatly renewed vigour and impetus for the coming trade negotiations under GATT in late 1963 and early 1964.

We hope the Canadian government will do everything in its power to bring our country under the provisions of the trade expansion act which deal with the 80 per cent figure, and will permit us to obtain free access to the United States and European markets. As I say, it is an imaginative and bold step. We in this party welcome it and urge the government to co-operate in every way.

FINANCE

REVISED ESTIMATES TO BE TABLED ON THURSDAY, OCTOBER 18

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, I should like to inform the house that it is my intention to table in this house on Thursday afternoon the revised estimates for the current fiscal year.

[Mr. Thompson.]

HOUSE OF COMMONS

STATEMENT BY MR. SPEAKER WITH REGARD TO QUESTIONS ON ORDERS OF THE DAY

Mr. Speaker: Before calling the orders of the day I would crave the indulgence of hon. members in order to permit me to make a statement which I indicated on Friday last I would make today, namely a statement of what I consider to be the guideposts on the subject of questions generally and on oral questions on orders of the day in particular. I would immediately point out that this is in no way a ruling but rather a statement. I find that over the past 20 years or more each of my predecessors as Speaker has taken this step I am now taking at least once, and some of them a number of times, during his term of office.

The problem of oral questions on orders of the day is not a new one and hon. members will see some of the reasons why as we examine the problem. As there are a number of hon. members who were members of this house in 1940 perhaps I could quote from some observations by the then prime minister, Mr. Mackenzie King, as they appear in *Hansard* for July 12, 1940, commencing at page 1569:

> It is not, as I understand the rules, the right of hon. members to interrogate the ministry upon all kinds of matters without advance notice and without following, wherever possible, the other rules that are laid down for the seeking and obtaining of information. The rules of the house do provide several means whereby information may be obtained, and of course the rule most generally availed of is the one with respect to handing questions in to the clerk, or having placed on the order paper notices of motions for the production of papers. By our rules the asking of questions of the ministry on the orders of the day is limited to a certain class of questions, those which cannot be answered effectively in the other way.

He further indicated he felt the Speaker of the day should make a statement in this regard. Mr. Speaker Glen on July 15, 1940, as reported on page 1596 of *Hansard*, went into the question at some length and, after reading standing order 44, comparable to our standing order 39 of today, had this to say:

> If the standing order was strictly interpreted, it is obvious that a very large proportion of the oral questions asked before orders of the day are called would be out of order. In fact, members have not exercised sufficiently their rights under standing order 44, but have too frequently endeavoured to seek information on the orders of the day being called.

He went on further to say, on pages 1596 and 1597:

> To sum up: There is only one standing order governing questions seeking information from ministers of the crown. It is standing order 44, which provides that such questions may be marked with an asterisk if oral answers are required. Forty-eight hours' notice must be given of these questions, which must be laid on the table of the house before six o'clock

and printed in the *Votes and Proceedings*. On the orders of the day being called, members may ask ministers to explain certain matters in accordance with the practice expounded by Bourinot and sanctioned by usage. It is not done under the authority of a standing order, and therefore such questions may be either permitted or disallowed by the Speaker, who must judge each case on its merits.

And further:

... It seems to me manifestly unfair to compel ministers to answer questions on important matters without an opportunity of consulting their chief officers; and it would be arbitrary to deprive private members of the privilege of putting certain questions of immediate urgency on the orders of the day being called. The principle on which the practice has been tolerated in past years should be respected, that is, the reading of long series of questions elaborately prepared is not to be allowed on the orders of the day being called.

Again, on March 15, 1943, as reported at page 1234 of *Hansard*, Mr. Speaker Glen had this to say:

As long as our standing orders are unchanged, the only questions permitted on the orders of the day being called must be confined to very urgent matters, personal explanations, inaccurate reports of speeches delivered in the house, denial of charges, dilatoriness in obtaining returns, or other similar matters closely connected with the routine business of the house. These questions must be brief and must not be prefaced by any argument. Standing order 44 gives members ample opportunity to place on the order paper any number of questions they desire with respect to public affairs. Reading telegrams, letters or extracts from newspapers as an opening to a question when the orders of the day are called is an abuse of the rules of the house. It is not good parliamentary practice to communicate written allegations to the house and then to ask ministers either to confirm or to deny them. It is the member's duty to ascertain the truth of any statement before he brings it to the attention of parliament. This has been decided long ago in the United Kingdom House of Commons. On June 14, 1882, Mr. Speaker Brand, in preventing a member from reading a telegram from a newspaper and founding a question on it, pointed out the extreme inconvenience of founding questions on every telegram in every newspaper. "I am bound to say," he added, "that it does appear to me that before questions of such gravity are put, an hon. member should take some measures to ascertain the truth of the telegram." This quotation is from Denison's and Brand's Decisions, page 230.

Mr. Speaker Glen concluded as follows:

I feel it is my duty to explain to the house the procedure with regard to questions, and I hope that in applying it I shall have the co-operation of all members of the house.

On September 11, 1945, page 66 of *Hansard*, Mr. Speaker Fauteux had this to say briefly after citing Beauchesne's third edition:

Hon. members will notice that the rules say that questions are allowed by courtesy in connection with the business of the house, or with very urgent and important matters of public concern. I would like to call for the co-operation of every member and ask them not to put oral questions when they are not very urgent. It would be preferable for the dispatch of business that questions be placed on the order paper.

Coming to more recent years, on May 29, 1951, as reported in *Hansard*, page 3494, Mr. Speaker Macdonald referred to the procedure regarding the asking of questions, and he referred hon. members to standing order 44 I quote:

It has nevertheless been the practice in our house to allow a certain number of oral questions, and it is not my purpose to discourage members from asking questions of the proper type, as I feel that these questions create a more lively interest in the business of the house. These oral questions are asked when the orders of the day are called, and are frequently asked without notice. I would, however, emphasize that these oral questions should be asked only in connection with very urgent and important matters of public concern, and only if it would not be in the public interest to place them on the order paper and receive answers in accordance with the method provided for in the standing orders. They should always be brief. No debate is permitted, and the reply should be as concise as possible. The questions should not be prefaced by the reading of letters, telegrams, newspaper extracts or preambles of any kind. See Beauchesne's third edition, paragraphs 297, 298.

On March 16, 1956, Mr. Speaker Beaudoin, as reported on page 2206 to 2210 of *Hansard* and the *Journals* of the House of Commons, volume C. at pages 299 and those following went into the whole question most exhaustively. He reviewed the statements of the previous Speakers, including some of those which I have given to hon. members, and then cited from other sources of authority such as Beauchesne, Bourinot and May as well as articles published by the Hansard Society. Without appearing at all to lecture hon. members in a pedagogic way, I would suggest that this particular statement by Mr. Speaker Beaudoin might be made prescribed reading for members, as well as others who would comment upon the proceedings of this house.

The statement came relatively shortly after standing orders had been changed and adopted by the house in 1955, following many years of study. There are many hon. members on both sides of this house who were members of the House of Commons in 1955 and who participated in the revision of the standing orders and, with the adoption of the standing orders, I may presume that they concurred therein.

I am resisting a grave temptation to quote most extensively from this lengthy statement, and I trust that hon. members will bear with me while I make certain references to it. In some respects the situation today may resemble that which prevailed some six years ago:

I want to tell hon. members that I think that between their conception of what should be asked at question time and mine there is now such a wide difference that I am afraid we are not pulling in the same direction. I think it is well for me to establish the position which I consider is the one which is now in force. I will not quote all these citations but I will refer hon. members to the following ones—

Then he enumerates a number from Beauchesne. He refers members to Bourinot's fourth edition and goes on and cites particularly citation 140 in Beauchesne's third edition, which is as follows:

A question which could be inserted on the order paper is not allowed on the orders of the day being called.

Incidentally, citation 140 is now 173, subparagraph 2:

Then citation 297:

297. A certain number of oral questions are permitted in practice by members, without notice, before the orders of the day are called; but these are merely allowed by courtesy in connection with the business of the house or with very urgent and important matters of public concern. They are always brief, no debate being permitted, and the replies are as concise as possible. The minister interrogated may reply at once or may direct that the usual notice be given. Such questions are governed by the same rules of order as questions of which notice has been given.

Then Mr. Speaker Beaudoin comments:

In other words, if a question could not be inserted on the order paper, a member cannot ask it before the orders of the day are called.

There follows some detailed discussion and interpretation of various citations in Beauchesne, which I do not think it is necessary to deal with at this time, but in case this statement should be misunderstood in regard to citation 203 of the third edition of Beauchesne, which is now citation 178 of the fourth edition, it must be noted that Mr. Speaker Beaudoin subsequently corrected himself on May 7, 1956 as reported in volume 4 of *Hansard* at pages 3619 and 3620. Mr. Speaker Beaudoin then continued, at the foot of page 2207 of *Hansard*:

I hope that hon. members will read carefully all the citations I have given and I feel confident that they will do so knowing their interest in the matter. They will see that not only has it been the opinion of prime ministers but also of leaders of the opposition when they have occupied one side or the other during their careers, that questions before the orders of the day are called should be limited to questions of an urgent and important character and should be asked on the orders of the day only if they could not be placed on the order paper without some prejudice being suffered.

I said earlier that hon. members are moving in a direction which is contrary to that which I understand to be the right one because as hon. members know the rules are not being changed by the Speaker. If hon. members wish that the rules be changed there is a proper method to be adopted and that is to have a committee on rules, have the matter decided and have a report made to the house. Were I to receive such a report I can assure you that I would try to interpret the new rules as faithfully as I could. As it is, hon. members are trying to move in the direction of having a question period which is almost similar to that which exists in the United Kingdom without adopting the proper safeguards and without giving more authority to the Speaker to intervene whenever he feels that a question is not in order and also without adopting the method of giving notice which is in vogue in the United Kingdom.

[Mr. Speaker.]

He then went on to compare the practice which prevails in the United Kingdom, which is quite instructive. I cannot resist reference to a citation made by Mr. Speaker Beaudoin from a commentary on "Question time in Canada" appearing in an article of the Hansard Society, where the author has this to say:

In Canada, the complexity of the question procedure and its lack of definitiveness usually results in an annual altercation on the floor of the house.

I think hon. members who have been here for some time may be witness to that. Then he says:

Habitually, Mr. Speaker makes a short statement—

And, as Mr. Speaker Beaudoin does, I apologize for making mine quite so long:

—during the early stages of the parliamentary session to remind the members of the differences between the two procedures to be outlined below. The Speaker tries to discourage the use of too many questions being asked "on the orders of the day being called".

Even closer to the present day, with respect I would refer to two statements made by my immediate predecessor, Mr. Speaker Michener, on October 17, 1957, at page 63 of *Hansard,* where the then Speaker referred hon. members directly to the lengthy statement by his immediate predecessor, Mr. Speaker Beaudoin, and it is my opinion that Mr. Speaker Michener adopted the words of Mr. Speaker Beaudoin.

Again on February 26, 1959 at page 1393 of *Hansard,* Mr. Speaker Michener on an occasion similar to this, prior to calling orders of the day, made a statement as to the interpretation of the practice of this house on oral questions for the edification of hon. members; and without wishing to enter into debate with anyone within or without this house who may feel that I am endeavouring to introduce changes in the rules or interpretations of the rules concerning oral questions, may I quote the principles applicable to oral questions as enumerated briefly by Mr. Speaker Michener.

1. The question should seek information or press for action on a matter relating to public affairs of such immediate urgency that it would be inappropriate to put it on the order paper.

2. Both the question and the answer should be concise, factual and free of opinion and argument or observations which might lead to debate.

3. An explanation can be sought regarding the intention of the government but not an explanation of opinion upon matters of policy. That is citation 178 of Beauchesne's fourth edition.

4. Other detailed limitations, some 40 in number, are set out in citation 171 of Beauchesne's fourth edition . . . and apply to oral questions as well as to written questions.

5. Supplementary questions are matters of grace.

6. The minister is entitled to notice, and answers cannot be insisted on nor is it regular to comment on the refusal to answer an oral question.

I may say this principle relates to oral questions and perhaps not to questions on the order paper.

I apologize to hon. members for the length of this statement which, if I had yielded to temptation, could have been much longer; but I felt it was necessary to trace an historical pattern to events which have taken place within the actual memory of a goodly number of hon. members in this house. Unfortunately human memory may sometimes fail or impressions may get blurred of events even not too distant in the past, but the *Journals* of this house and the records of debates indicate faithfully what was actually said. I leave it to hon. members to judge my submission that there is an easily discernible line of interpretation over the years, but one must refresh one's memory from time to time to clearly set out and see that line of interpretation.

I do not propose to enter into a lengthy philosophical dissertation on the role of the Speaker, his duties having been described much better by others on many occasions. I would subscribe wholeheartedly to those definitions. I believe the Speaker should be the impartial arbiter of the rules as they exist for him and for the house in the standing orders, in the decisions of his predecessors and in the decisions of this house, aided by the persuasive authority of the commentaries such as Beauchesne, Bourinot, May and others. The Speaker is the servant of the house in so far as it makes rules for the conduct of its affairs, and I conceive it would be a grave dereliction of duty for the Speaker to put these rules aside consciously in response to either whim or expediency.

But if the rules exist for the Speaker to interpret, they also exist for hon. members to observe. It is not the sole duty of the Speaker to preserve order, or the traditions and dignity of this house, or to protect members from unconscionable actions. I would submit that there is an equal duty on all members to do likewise. May I translate ourselves into another medium which may be more graphic. The rule book does not exist only for the hockey referee or the football referee or the umpire in baseball, nor are these officials the only ones who should know the book of rules; the players themselves, if they are going to do their jobs properly, must not only know the rules well but must observe them.

I do not conceive the role of Speaker to be that of a police constable on a beat in a more notorious section of a large metropolitan city, whose principal task is to be on constant alert against wrongdoings and where the conduct of most of the residents may be suspect. Nor do I conceive it to be that of a mere teller of names, a sort of gatekeeper for hon. members who may wish to ask questions or engage in debate governed by the rules of this house to the extent only that the whim or the expediency of the moment may dictate. I recognize that these are extreme positions.

As I have indicated previously, and as has been indicated by previous Speakers, I have my rules as embodied in standing orders, decisions of this house, decisions of previous Speakers and the persuasive authority of the commentaries. Hon. members expect me to enforce these rules; yet, as was said by Mr. Speaker Beaudoin, "It would appear that hon. members are pulling in the direction of the practice which exists in the United Kingdom under different rules." If the present rules do not satisfy the hon. members of this house, then I have no objection if they wish to go in different directions, but I cannot agree that I can go along with them while following the rules which are given to me. If the rules should be changed, then I respectfully suggest that hon. members know what procedure to take under the rules as they now exist.

May I add that many of the questions being posed on orders of the day would be unacceptable as to form for printing on the notice paper. In a large percentage of such cases members would be requested to rephrase or redraft their notices before they could be accepted under the terms of standing order 39, section 1.

In conclusion, briefly stated, it would appear that it has been the consensus of all Speakers that questions asked on orders of the day should comply with two basic requirements:

1. The form of those questions is governed by the terms of standing order 39 section 1, which provides in part that in putting a question no argument or opinion is to be offered nor any facts stated except so far as might be necessary to explain the question.

2. Such questions should be offered only in connection with urgent and important matters of public concern when, because of immediacy, the regular procedure relating to questions cannot be utilized for the purpose of eliciting the desired information or for bringing a matter of urgency to the attention of the ministry.

The terms of section 1 of standing order 39 are comparatively clear, and if the Chair could depend on co-operation from all sides of the house not only as to the nature of questions but also as to the nature of replies, there would be little trouble, in my humble opinion, in controlling questions on orders of the day.

I respectfully submit this statement for the consideration of hon. members.

Inquiries of the Ministry

FINANCE

LOAN IN U.S.—TABLING OF PURCHASE AGREEMENT

On the orders of the day:

Mr. Heward Grafftey (Parliamentary Secretary to the Minister of Finance): On a question of privilege, may I say that yesterday in relation to question No. 38 asked by the hon. member for Davenport the document referred to in part 2 of the question was not included with the answer. In order that the record may be put straight I should like to table today the document then referred to.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

ROYAL COMMISSION—TESTIMONY OF FORMER GOVERNORS OF BANK OF CANADA

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to address a question to the Prime Minister. In view of a recent announcement by the royal commission on banking and finance that evidence laid before the commission by former Bank of Canada governors Graham Towers and James Coyne will be heard in camera, and in view of the extreme importance of this evidence, will the government ensure that members of the house committee on banking and commerce, or alternatively representatives of all political parties, are permitted to see this evidence?

Mr. Speaker: Order. The other day I had to deal with a question which dealt in part with information which had been advanced by the hon. member, and I think the question in effect asked the Prime Minister to comment on, or to confirm, rumours of one sort or another. I think in the way it has been presented to the house it is quite improper at the moment. It could be redrafted if the hon. member will think about it.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister whether he proposes to set up, or proposes to take steps to set up shortly, the banking and commerce committee of the House of Commons so that evidence of this kind could be heard before that committee?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as the hon. member knows all standing committees are in the process of being considered at the moment.

[*Later:*]

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I could ask the Prime Minister whether he could ascertain from the chairman of the royal commission on banking if it is the intention of the commission to hear some witnesses in camera, and inform the house?

Mr. Diefenbaker: Mr. Speaker, my answer would be in the affirmative.

RECONSTRUCTION AND DEVELOPMENT BANK—APPOINTMENT OF PRESIDENT

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I wish to direct a question to the Minister of Finance. My question is based on a newspaper report that a Mr. George D. Woods—

Some hon. Members: Order.

Mr. Lewis: Mr. Speaker, I remember what you said, but my question will have no meaning unless I preface it in this way.

Mr. Speaker: I was not calling the hon. member to order; I was cautioning other hon. members to let the hon. member proceed so that I could hear whether he is going to state a few succinct facts on which to found his question.

Mr. Lewis: Mr. Speaker, I am sure you will be satisfied that that is so. My question is based on a newspaper report that a Mr. George D. Woods, chairman of First Boston Corporation, a leading Wall street investment concern, has been picked by the President of the United States and his advisers as president of the international bank for reconstruction and development to succeed Mr. Black.

My question to the Minister of Finance is, would the minister inform the house under what authority the government of one country purports to pick the president of the world bank, and what instructions have been given to, or are contemplated for, Canada's executive director of the bank on this matter?

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, I am sure that neither the President of the United States nor this government is responsible for rumours, very often erroneous, which appear in newspapers.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. Walter L. Gordon (Davenport): I should like to address a question to the Minister of Finance. I have given the minister notice of this question, but in view of Your Honour's statement I propose to delete certain introductory phrases. My question is this. Will the minister say whether the revised budget for the coming fiscal year 1962-63, incorporating the government's program for dealing with

the country's long term financial and economic problems, will be presented before the Christmas recess?

Hon. George C. Nowlan (Minister of Finance): I am sorry, in a way, that the hon. gentleman has withdrawn those preliminary remarks, because I could perhaps make a much more effective answer with respect to them than I can in relation to the question itself. I made a statement yesterday that a budget will be brought down at an earlier date than usual. Further than that I do not propose to go at the moment.

Mr. Pickersgill: For what fiscal year?

Mr. Gordon: A supplementary question. The Minister of Finance told us yesterday that a budget for 1963-64—

Some hon. Members: Order.

Mr. Gordon: —the year most hon. members assumed he was talking about, would be introduced after Christmas. I am asking now about the revised budget for the current fiscal year.

Mr. Speaker: That is not really a supplementary question.

INQUIRY AS TO INTRODUCTION OF SUPPLEMENTARY BUDGET

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to address a question to the Minister of Finance. Is it the intention of the minister to introduce a supplementary budget for the fiscal year 1962-63 as forecast in the speech from the throne?

Hon. George C. Nowlan (Minister of Finance): Whatever may have been forecast in the speech from the throne, Mr. Speaker, will be carried out.

EXTERNAL AFFAIRS

CUBA AND BERLIN—REQUEST FOR NEGOTIATION AT UNITED NATIONS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a thoroughly pruned question to the Prime Minister. In view of the situation in Cuba and Berlin, would the Prime Minister assure the house that the government will lose no opportunity to urge on all the powers concerned that they begin negotiating their difficulties immediately at the United Nations?

Right Hon. J. G. Diefenbaker (Prime Minister): I will say that there appears to be no justification for the hon. gentleman to associate or link together the questions of Cuba and Berlin.

In so far as Berlin is concerned, western policy has not changed in spite of the fact that there have been some indications that the Soviet union may shortly precipitate a new, if not a grave, crisis in that city. The basic essentials of western policy are the maintenance of allied rights on access, the continuing presence of western troops and the freedom of the people of western Berlin. Canada fully supports the western powers in their desire to negotiate on this important matter, and will also co-operate in any compromise on less essential points. The effective reply to that portion of the question is simply this; the answer rests with Mr. Khrushchev.

As far as Cuba is concerned, the hon. member will be aware that the Cuban government has brought this question to the attention of the United Nations on several occasions. Canada, together with the other members of the world body, thus has an opportunity to ensure that all possible steps are taken to arrive at a peaceful solution. The Canadian government will not fail to do everything within its power to achieve this objective.

NUCLEAR TESTING—INQUIRY AS TO CANADIAN PROTESTS

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. In view of the unsuccessful attempt yesterday by the United States authorities to launch a nuclear weapon in the Pacific and the announced intention of the Soviet union to proceed with further nuclear tests, has the minister on behalf of Canada made protests against these evil and imbecile actions on the part of the U.S.A. and the U.S.S.R?

Mr. Speaker: Order. I think the hon. member, if he kept in mind the statement I made recently, particularly regarding standing order 39 (1), should exclude from his question certain words such as those of opinion which he has expressed; but for the rest of it, I think the minister might be prepared to answer.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, in my speech at the United Nations on September 25 I dealt quite fully with this question of further nuclear tests. Then again last week General Burns, who is our main adviser on disarmament, dealt with the same subject in the first committee of the United Nations. Canada's position has been made abundantly clear, and no effort will be spared to see that we do our part to bring an end to these tests, which I quite agree are disastrous for humanity.

Inquiries of the Ministry

TRADE

GATT—INQUIRY AS TO CANADIAN REPRESENTATION

On the orders of the day:

Mr. D. S. Macdonald (Rosedale): I wish to address a question to the Prime Minister arising out of the statement he made to the house at the commencement of this afternoon's sitting. In view of the fact that the twentieth session of the contracting parties to the general agreement on tariffs and trade will begin next Tuesday, will Canada be represented at such meetings by a minister of the crown, and will the ministerial discussions referred to by the Prime Minister in his statement be held in conjunction with the GATT meetings?

Right Hon. J. G. Diefenbaker (Prime Minister): I will answer simply in this way. Canada will be represented.

(Translation):

WORLD FAIR—INQUIRY AS TO CHOICE OF SITE

On the orders of the day:

Mr. Gerard Loiselle (St. Ann): Mr. Speaker, may I direct a question to the Associate Minister of National Defence? Can he tell the house if a decision was reached about choosing Point St. Charles ward in Montreal as the official site for the world's fair?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, as yet no decision has been made concerning the site for the world's fair in 1967.

CONTRACT FOR SALE OF WHEAT TO CHINA

On the orders of the day:

Mr. J. P. Cook (Montmagny-L'Islet): Mr. Speaker, I would like to put a question to the Prime Minister. Can he tell us when he intends to reveal to the members of this house the wording of the contract passed between the Canadian government and red China on the sale of wheat to the latter?

Mr. Speaker: Order. I wish to point out to the hon. member that such a question had better be put on the order paper.

Mr. Cook: On a point of order, Mr. Speaker. Since last Friday we have seen discussing the bill relative to our export trade and the sale of wheat. Therefore, I feel my question should interest all members of this house.

Mr. Speaker: The remarks I made on the question put by the hon. member also apply in this case.

[Mr. Green.]

(Text):

EUROPEAN COMMON MARKET—STATEMENT BY MEMBER FOR HALIFAX

On the orders of the day:

Mr. J. H. Addison (York North): Mr. Speaker, I should like to direct a question to the Prime Minister. The hon. member for Halifax, Mr. Edmund Morris, is reported by the Canadian Press today as having told the economic conference in Fredericton that he has no doubt that the United Kingdom is going into the common market. My question is, sir, is this to be taken as the position of the Canadian government?

Mr. Speaker: Order. I think the hon. member will find that it is quite improper to ask a minister to comment on the statements of an hon. member of this house for whom the minister is not responsible in an administrative capacity.

(Translation):

SHIPPING

ST. LAWRENCE RIVER—INQUIRY RESPECTING PILOTAGE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I want to ask the Minister of Transport a question. Can the minister tell us whether he has already launched a general survey on all matters concerning piloting, as he announced in the House of Commons about six months ago?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I shall probably make a statement on this matter before the end of the week or at the beginning of next week.

Mr. Chevrier: Mr. Speaker, may I ask a supplementary question? Has the minister submitted to the government a series of suggestions to be studied as he had promised at the time?

Mr. Balcer: Mr. Speaker, I did exactly what I promised to do at the time, and, as I said a moment ago, I shall make a statement to the house as soon as the commissioners are appointed.

Mr. Chevrier: This matter is already six months old.

(Text):

BUSINESS OF THE HOUSE

INQUIRY AS TO SETTING UP OF SPECIAL COMMITTEE ON PROCEDURE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister whether it is still the intention of the

government to set up a special committee on procedure. If so, will it be established at the same time that the other committees are being set up for this session?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that is, of course, a matter for the house to determine. On any question dealing with procedure one must have the co-operation of hon. members in all parts of the house. When and if there is a general request to have the committee set up, I am sure it will be. In the past it has done worth while work in producing rules, which have not always been adhered to.

Mr. Martin (Essex East): Particularly by hon. gentlemen opposite.

Mr. Knowles: A supplementary question. May I ask the Prime Minister whether he does not remember that this was prophesied in the speech from the throne?

Mr. Diefenbaker: Mr. Speaker, there are several things prophesied in the speech from the throne which will ultimately culminate in action when the house arrives at a consideration thereof.

REFERENCE TO COMMITTEE OF CANADA COUNCIL REPORT

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Prime Minister whether it is the intention this session, as in the last three sessions, to have the report of the Canada Council brought before a house committee.

Right Hon. J. G. Diefenbaker (Prime Minister): Yes, Mr. Speaker.

NATIONAL DEFENCE

NORAD—DISCUSSION WITH COMMANDER IN CHIEF

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of National Defence. Did the minister talk yesterday with General Gerhart, the commander in chief of NORAD; and, if so, has any decision been taken in respect of the arming of Canadian Bomarc squadrons?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I did indeed talk yesterday with General Gerhart, but we did not discuss the Bomarc squadrons.

CANADIAN NATIONAL RAILWAYS

BRITISH COLUMBIA—PROPOSED DISCONTINUANCE OF TRAIN SERVICE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, on October 3 and again on October 11 I directed a question to the Minister of Transport regarding the imminent discontinuance of trains Nos. 195 and 196 between Prince Rupert and Prince George and also with respect to the proposals relating to trains Nos. 3 and 4 in the west. Without reading the question again—I am sure the minister is familiar with it—I wonder if the minister could indicate whether he has had any reply from the management of Canadian National Railways in this regard. If so, will he indicate what it is?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I told my hon. friend that I was going to let him know as soon as I had received a report from the railway. I have received that report and have written to my hon. friend a long letter containing all the information.

(Translation):

AGRICULTURE

ARDA—IMPLEMENTATION IN EASTERN CANADA

On the orders of the day:

Mr. Bernard Dumont (Bellechasse): Mr. Speaker, my question is directed to the Minister of Agriculture. I read in a pamphlet on the ARDA program, about which the minister made a statement yesterday, that this program cannot be implemented before a study period of 3 years. Is this the answer to the urgent problems of agriculture in eastern Canada?

Mr. Speaker: Order. I think that the hon. member understood what I said at the beginning of this afternoon's sitting about questions on the orders of the day. I do not think that his question is in order.

(Text):

MARITIMES—REQUEST FOR EXTENSION OF CORN SUBSIDY

On the orders of the day:

Mr. Malcolm MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Agriculture. Following the additional investigation to which the minister has referred in this house during the course of the last week or so, will the minister now indicate whether he is prepared to extend the subsidy on corn moving into the maritime provinces?

Mr. Speaker: Order. Almost daily there have been questions on this matter which I have allowed. However, I think the hon. member will now recognize the fact that the question is not of sufficient urgency for him to obtain the information on the orders of the

day and that he may now get it, and perhaps in greater detail, through use of the order paper.

Mr. MacInnis: I rise on a point of order, Mr. Speaker, with all due respect. In your previous remarks you indicated that if this question was of sufficient urgency and importance it could be brought before the house. The minister has indicated that supplies of corn are available in the maritime provinces. Nobody else seems to be able to find them. The only way I could do so would be to go and investigate every feed dealers' warehouse in the maritime provinces—

Some hon. Members: Order.

Mr. Speaker: The question of order is whether it is of sufficient urgency to bring it forward on the orders of the day. If the hon. member will refer to the various citations and references I gave in the statement I made, I think he will find that there has been a continuing practice in that regard.

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM, B.C.—REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. Arthur Laing (Vancouver South): Mr. Speaker, I wish to ask the Minister of Justice if he has yet had a request for assistance from the government of the province of British Columbia in respect of the now tragic condition of the Freedomite sect?

Hon. Donald M. Fleming (Minister of Justice): No, Mr. Speaker, I have not received anything that I would describe as a request for assistance. The attorney general of British Columbia, of course, some time ago expressed publicly a view with regard to the dispersal of Freedomite prisoners now in Mountain View prison. However, I dealt with the matter fully, and the position of the federal government in that regard, in a statement I made a fortnight ago in the house.

(Translation):

AIR TRANSPORT

DORVAL—PROTEST AGAINST NOISE OF NIGHT LANDINGS

On the orders of the day:

Mr. Guy Rouleau (Dollard): Mr. Speaker, I would like to put a question to the Minister of Transport.

In view of the numerous complaints received from the civil, religious and school authorities in the city of St. Laurent and surrounding districts, against the noise resulting from the night landing of numerous planes at Dorval airport, I would like to ask the minister, once again, whether he could not give instructions so that—

Mr. Speaker: Order. I do not think that the hon. member believes that his question is in order.

BAGOTVILLE, QUE.—REQUEST FOR REPORT ON ACCIDENT

On the orders of the day:

Mr. Maurice Cote (Chicoutimi): Mr. Speaker, I wish to direct a question to the Minister of Transport. Would the minister tell us whether he has received a report on the investigation concerning the fatal accident which took place at Bagotville airport?

Mr. Speaker: I regret very much, but the question is out of order.

HOUSE OF COMMONS

REQUEST FOR TRANSLATION OF WORK BY BEAUCHESNE

On the orders of the day:

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to know whether you are considering having Beauchesne's work translated into French?

Mr. Speaker: I wish to inform the hon. member that the Speaker does not answer questions from the chair as, according to the rules, he is not to be asked questions by members of the house.

(Text):

UNEMPLOYMENT INSURANCE

INQUIRY AS TO BALANCE IN FUND

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, earlier I posed to the Minister of Labour a question which I thought he might answer. I should like to pose it to him now inasmuch as he has had sufficient notice of it. Can the minister inform the house what was the balance in the unemployment insurance fund as of September 30?

Mr. Speaker: Order. Notwithstanding the fact that the question may have been asked on a previous occasion and may therefore by some be assumed to be notice, I am of the opinion that the question is quite out of order as seeking statistical information. In this regard I would refer hon. members to *Hansard* of 1960, volume 1, in which there are no less than six instances in which Mr. Speaker Michener ruled questions out of order on

precisely these grounds. I would cite the pages without reading the rulings. They are pages 135, 261, 615 and 693 and, in a subsequent volume, pages 4031 and 5955-56. Under these circumstances, the Speaker of the day having ruled out questions precisely on the grounds of statistical information, I cannot see how this question could be in order at this time.

Mr. Howard: Merely because your illustrious predecessor ruled it out, Mr. Speaker, that fact does not indicate that there is any basis for his ruling in so far as Beauchesne is concerned. I may say, with great respect, that I think you will find there is not any basis for it. Perhaps at this time I would defer proceeding further until we can study closely your references to Mr. Speaker Michener's rulings, and perhaps pose the question on another day.

Mr. Speaker: I might perhaps make this observation, namely that Beauchesne is not the be-all and end-all of the rules of this house. It is an authoritative commentary. I would refer the hon. member to Beauchesne's fourth edition, citation 8, paragraphs 1 and 2 in this particular regard for consideration while he is studying the problem he has raised.

(Translation):

UNEMPLOYMENT INSURANCE

EXTENSION OF BENEFITS TO WORKERS IN U.S.

On the orders of the day:

Mr. Raymond Langlois (Megantic): Mr. Speaker, since you said earlier that we could expect to get replies to urgent questions only, I feel that the question I am on the point of asking is urgent because it deals with Canadian workers and their right to receive unemployment insurance benefits.

My question is intended for the Minister of Labour.

Could the minister tell us whether it is his intention to settle the matter of Canadian citizens working in the United States at present, but who are not entitled to unemployment insurance benefits?

Mr. Speaker: Order. I am very sorry that the hon. member misinterpreted the point I tried to make. Not only must the question be important, but also there must be no other means to obtain the required information. To my regret, I feel that the hon. member's question is out of order.

Mr. Langlois: Mr. Speaker, do you not think that 20,000 hungry people do form the subject of an important question?

Mr. Speaker: I am sorry, but I have already ruled on the matter.

(Text):

EXPORT CREDITS INSURANCE ACT

AMENDMENTS INCREASING LIABILITY LIMIT, ETC.

The house resumed, from Monday, October 15, consideration in committee of Bill No. C-63, to amend the Export Credits Insurance Act—Mr. Hees—Mr. Chown in the chair.

On clause 3—*Power to lend or guarantee, etc.*

Mr. Pickersgill: Before the clause is carried I should like to pose a question to the Minister of Trade and Commerce, if I could have his attention, and in the light of his reply to pose a second question, but the second question depends upon his reply to the first. Could I ask the minister if there has been any change in the chairmanship or presidency—I am not sure I have verified the terms—or in the two or three senior officials of the Export Credits Insurance Corporation since the present government came into office?

Mr. Hees: The answer is no, Mr. Chairman.

Mr. Pickersgill: Could I ask the minister if he is completely satisfied with the competence of the officials and the conscientious way in which they carry out their duties?

Mr. Hees: The answer is yes.

Mr. Pickersgill: Then I wonder if the Minister of Trade and Commerce can explain to us what he meant when he said last night, as recorded on page 557 of *Hansard*:

> I was most interested to hear the hon. member for Ottawa West harking back to what he would consider the good old days, the 22 years when patronage really ran rampant.

Of course this corporation has only existed 17 years, but we will pardon the minister his bad arithmetic.

> From listening to him talk, you would think we were doing the kind of things that happened when they were in power, when deals were made—

The minister was speaking of this corporation.

> —with specific firms that were friendly and so on That is something that does not happen any more

After an interruption the minister went on to say:

> I wish to tell hon. members that it was made very clear to all Canadian producers that any terms which are made available to any one producer are available to all producers of that commodity. I know the hon. member is amazed to hear that statement, as that sort of thing never happened during the 22 years during which his party was in power. However, it happens now and it has happened under this government ever since we took over office and cleaned things up five years ago.

I have a couple of questions I want to put to the minister, and I hope he will be able to answer them instead of making another cheap political speech.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I have been reading his cheap political speech, not making one myself.

Mr. Hees: You are doing a pretty good job yourself.

Mr. Pickersgill: I should like to ask the minister to tell us precisely what he did to clean up this corporation that he has said was so unsatisfactory during the previous regime. I also think the minister, having made that broad statement, should give us the names of those firms that were specially favoured and are favoured no more.

Mr. Hees: Mr. Chairman, this is a very easy and very pleasant thing to do. I was not, of course, referring to the operations of the corporation. I was referring to the operations of the government as they took place under section 21. Ever since the corporation was set up in 1944 and began to operate, insurance has been issued under section 14 on all commodities where the operation which it was desired to insure was of a regular nature. However, under section 21 requests for insurance had to be referred by the corporation to the governor in council because the terms of the operation which it was desired to insure went beyond what the corporation considered to be the normal manner of carrying on its business. Therefore under section 21, both under the last government and the present one, these matters have been referred to the governor in council for consideration to see whether or not the insurance requested should be approved. Under the present government it has always been our practice to consider these matters on a businesslike basis, and any terms that we make available to any one corporation are, of course, available to any other corporation.

What I was referring to were the decisions made by the previous government in the old days, and the way they handled business generally during their 22 years in office, in that they often decided they would carry out certain transactions not necessarily on the basis of business considerations but on whether or not certain friends of theirs appealed to them from time to time and asked for special consideration. That is what I was referring to last night. In no way, of course, was I criticizing the operations of the corporation as such; rather I was criticizing the business philosophy of the late Liberal government as it operated during its 22 years of mismanagement in this country.

[Mr. Pickersgill.]

Mr. Pickersgill: The hon. gentleman has made charges of a general nature against a man who was highly respected in this country and is now dead. I ask the minister to give specific examples of these things. I suggest that he either withdraw these imputations or that he produce the evidence on which he makes these airy-fairy charges. I suggest, too, that the hon. gentleman stop inflating himself to try to look like C. D. Howe.

Mr. Hees: Mr. C. D. Howe was one member of the former government for whom I always had great respect, and in anything I said about the former government I was certainly not referring to Mr. Howe.

Mr. Pearson: He was the minister concerned.

Mr. Hees: As the hon. member for Bonavista-Twillingate knows, one member of the cabinet does not decide government policy. I was referring to the operations of the government as a whole.

Mr. Thompson: I have listened to some of the remarks that have been made within the last few minutes, and I am more convinced than ever that we spend more time in political manoeuvring and back-talk in this house than we do in constructive debate. Let us get on with it. I believe the mark of an intelligent man is that he can, with the least words, say something constructive. According to what we hear, we are not out of the kindergarten yet. I suggest that since we have more or less agreed on the basic principles involved, we should get through with it and move on to something else.

I should like to take just one minute, Mr. Chairman, to correct a statement that was made yesterday concerning wheat exports. In checking the Bank of Canada's statistical summary for 1961, page 152, and using my addition pencil, I find that during the years 1952 through 1956 we exported $2,868 million of wheat, and wheat flour, and in the years 1957 to 1961 the figure was 2,660 million; for total grain, it is 3,665 million bushels in the first five years. and 3,051 million in the last five years. I just wanted to correct that for the sake of the record.

Mr. Pickersgill: Since the hon. gentleman has chosen, in making a correction, to make an imputation about what other hon. members said, particularly referring to me and to the minister, since we were the only two who had spoken, I suggest to the hon. member for Red Deer that it is just as important to protect the reputation of a man who served his country well in this parliament for a

great many years, and whose reputation is attacked by his successor, as it is to make a correction in a little arithmetic.

Some hon. Members: Order.

Mr. Hees: Just to keep the record straight, I should like to repeat that I was in no way attacking the late Right Hon. C. D. Howe, for whom I had great respect. I was talking of the government.

Mr. Pearson: You don't know what you are talking about.

Mr. Leboe: I should like to ask the minister two or three questions, of which I have sent him notice. How much actual money will be held by the authority, the Export Credits Insurance Corporation, in connection with the $400 million, the $300 million and the $200 million? How much interest is paid by those using this credit? What is the source of the funds used by the Export Credits Insurance Corporation, and what is the source of the funds to pay the expenses of the corporation?

Mr. Hees: The answer is that the Export Credits Insurance Corporation holds no money at all for its operations under section 14 or section 21, other than the capital which was originally prescribed and which it holds and uses for the purpose of paying claims whenever such payments are necessary.

Mr. McIlraith: I want to clear up a point with which I sought to deal when the particular question was before the committee. The minister, in his remarks as reported on page 557 of *Hansard*, was dealing with section 21 of the act as it is being amended by clause 2 of this bill. This section comes directly under the jurisdiction of the Minister of Trade and Commerce; it is his ministerial responsibility. His remarks, therefore, are capable of one interpretation and one only, and that is that the minister, who represents the government and speaks for the government in these matters, is the one about whom he was speaking. In this case it could only mean the late Right Hon. C. D. Howe.

Furthermore, I would point out that his remarks are capable of one interpretation only in addition, that is that certain firms in this country improperly received benefit under this legislation. Now the minister, having cast that aspersion on these firms, has an obligation to explain to the committee just what firms he had in mind, who they were, and either withdraw the smear on them or substantiate it by evidence.

Before he does that I would point out that a great number of the transactions to which he referred were transactions involving sales by the Canadian wheat board. I was amazed to note the applause that came from government supporters from the three prairie provinces, the wheat country, at the minister's remark presumably indicating favouritism shown to the wheat board.

I am sure the minister spoke too hastily and without thinking through his remarks. If that is the case, I do wish he would clear it up and withdraw; because I am sure, as Minister of Trade and Commerce, it is not desirable that he be in the position of having cast such a reflection on either the commercial firms in the country or the Canadian wheat board.

Mr. Hees: I am very glad to say that I cast no reflection on anyone except the late lamented Liberal government. As the hon. member knows very well, under section 21 the Minister of Trade and Commerce brings forward applications to the council and the council decides whether or not the insurance requested by the producer shall be granted. It is not the sole responsibility of the minister by any manner of means. He merely brings the request forward, and the cabinet decide that they will or will not grant the insurance being requested in that particular case. In no way at all, therefore, was I referring specifically to the late Right Hon. C. D. Howe for whom, I say a third time, I had great respect. I was in no way referring to him, but I referred to the government as a whole.

The way in which my remark came about last night was that the hon. member for Ottawa West was thinking of the way the government used to operate in the old days under the patronage system, and he said that the use of section 21 opens up the possibility for patronage in a very big way. I simply remarked that the hon. member must be thinking back to the way his government operated for 22 years in all fields. I, of course, was making no allegation against any specific firm. He knows that quite well.

Mr. Macdonald (Rosedale): Last night I brought to the attention of the committee and the minister a legal objection to some of the terminology used in the proposed amendment to section 21(a) 2 (e) and section 21(a) 6 (b). The words in question to which I referred are "interest in any such instrument". The objection I brought forward at that time was that the instrument in question is a negotiable instrument and is transferable with all the interest in it or is not transferable at all. It is not severable. The minister subsequently advised me of the government's intention in this amendment, which was apparently to refer to a common banking practice whereby a contract can be entered into between the

corporation and a commercial bank and, for a consideration, give the commercial bank participation in the instrument.

I should like to suggest to the minister that the section might be further amended to extend the powers of the corporation so as to give the corporation the power to exchange any guaranteed instrument for two or more instruments of lesser principal amount, aggregating the amount of the original instrument, and to sell all or any part of such instruments. The minister is aware of a recent negotiation under this statute which provided for the refunding of obligations which had previously been created, and I should like to recommend to him the possibility of incorporating in the powers of the corporation this further power so that if it becomes commercially feasible the corporation may sell some of its obligations on the public money market or to private purchasers. My submission is that the wording at the present time does not give the corporation this power, and being a statutory corporation it is strictly limited to the powers conferred under the statute. Therefore I would propose that amendment to the minister.

Mr. Hees: Mr. Chairman, I thank the hon. member for Rosedale for his thoughtful suggestion. I have discussed this matter with the officers of the Export Credits Insurance Corporation and they consider that the powers which will be conferred upon them by this amendment provide them with the widest possible powers they could need. What is being done here is making it possible for our corporation to operate in exactly the same manner as the export-import bank of the United States, which handles these matters in the same way as we do. The officers of the corporation are of the opinion that this amendment will give them the fullest possible powers that they could need.

Mr. Macdonald (Rosedale): A supplementary question—

Mr. Byrne: Mr. Chairman—

The Chairman: Order. The hon. member for Rosedale is asking a supplementary question. Perhaps the hon. member for Kootenay East would possess himself for a minute.

Mr. Macdonald (Rosedale): Mr. Chairman, may I address a supplementary question to the minister in view of his answer? Could I presume from the answer the minister gave that it will be the intention of the corporation to confine its participation to the investment practice followed, and there will be no proposal to sell these instruments on the public money market if a purchaser should come forward?

Mr. Hees: Mr. Chairman, I am advised that the answer in general is yes, it is not likely that they would sell these instruments on the public money market. It is possible, and if it were so desired, they could; but, it is not likely.

Mr. Byrne: Mr. Chairman, my decision to participate in this debate was prompted by the political tirade that we received from the minister yesterday afternoon. I had felt, after listening to the minister in the throne speech debate, that he at least had learned the government benches were no longer the opposition and he had accepted the responsibility of governing. Therefore it was much to my surprise when yesterday he launched into this political tirade. I am sure it was only prompted by suggestion by one of the members of the committee that we should in all sincerity pay attention to make sure that all articles being exported under the administration of this act would have a large Canadian labour content. The minister pointed out that while it was not contained in a section of the act, under the regulations it was considered important that at least 80 per cent of the labour content of these exports should fall within that category.

Mr. McIlraith: The Canadian content should be 80 per cent.

Mr. Byrne: Yes, that the Canadian labour content should be 80 per cent.

Mr. McIlraith: Not the labour content.

Mr. Byrne: In any case, the hon. member was seeking information, which is his right under the rules of the house, and I think it was up to the minister to point out that these were the requirements of the regulations, rather than embark upon a political speech. Some hon. members may recall seeing a cartoon in one of the local newspapers following the conclusion of the throne speech debate, in which an attendant was sweeping out the political speeches to the front entrance of parliament. It seems that the minister has taken the other end of the broom and is attempting to sweep the political garbage back into this chamber.

I have a very high regard for the minister's predecessor, as have many hon. members in this house, and it was my intention to rise on the very question introduced by the hon. member for Bonavista-Twillingate. There had been no indication except through the mouth of the minister of any flagrant patronage taking place under the former administration. The minister seemed to indicate that this was a fact throughout the 22 years of Liberal administration. I am wondering why this has not been revealed by some concrete evidence. If the minister has such evidence, I think it is up to him to produce it in the house.

I am wondering, also, whether the minister has some evidence of the former administration having turned down applications, which necessitated the introduction of section 21 (1) (a), and if it was not, as the hon. member for Skeena said, that latterly the banks had refused—using the minister's own words—to undertake this responsibility, making it necessary for the government to introduce this section.

I feel very strongly about this matter. I hope the minister, in the interests of good and orderly debate and getting the business of the house dealt with, will contain himself in the future and not precipitate such debates.

Mr. Cardiff: Mr. Chairman, I should like to cite a concrete case in my riding. It has nothing to do with wheat. Apparently some hon. members think the only thing exported from this country is wheat. This has nothing to do with wheat. There is a manufacturing firm in my riding which has been in operation for at least 30 years. That takes in the 22 years the Liberal government held office before this government came into power. Only just recently has that firm taken the opportunity of obtaining any advantage from this Export Credits Insurance Corporation. They went into this, I think, a little over a year ago. They have increased their plant and they have increased their labour force from about 100 people to almost 200 in the last year and a half. They have sold Champion road graders, in connection with which the Canadian content is over 80 per cent, and it is Canadian labour that operates there.

Hon. members can readily understand that this has not anything to do with wheat. Apparently they think the only commodity we have exported is wheat. But here is a firm which has been in operation for 30 years, and they never took advantage of this export credit before. Why have they taken it now. There must be some very good reason, because it has not only helped them but it has helped Canadians as a whole.

Mr. McGee: Mr. Chairman, I intended to make a contribution to this debate last evening but decided to let it pass until this afternoon, when our hon. friend from Kootenay East rose and proceeded to read the minister a lecture. I would simply refer the hon. member to a member of his own group who was sidling down to a more prominent position on the front bench last night; I see he has resumed his position today. The reference is to be found on page 553 of *Hansard* as follows:

> I would have thought that in a measure of this kind we should first of all endeavour to assist the export of Canadian products abroad which contain as high a content of Canadian labour as possible.

Later, on page 555, he goes on to say:

> If we wish to take care of the unemployment situation in this country we have to emphasize and advance quickly those goods which employ an increasing amount of Canadian labour in their manufacture.

The clear implication contained in those remarks, along with others with specific reference to agricultural products only, is that the purpose of this legislation and, indeed, of the whole program, as has been demonstrated so ably by the Minister of Trade and Commerce, was to aid one sector of our economy rather than another. Surely the minister should be forgiven and, indeed, encouraged to correct that impression in the most emphatic and definite way possible, and given the means of getting on with the job, putting this money to work in order to provide increased employment for the people in my own constituency, which, incidentally, happens to be the fastest growing industrial district in this country today, as well as in others across Canada.

Mr. Martin (Essex East): Let us get on with it, then.

Mr. McGee: We do not need the lint picking of the hon. member for Ottawa West and the hon. member for St. Antoine-Westmount the latter of whom, according to the Pickersgill dictionary of parliamentary names can best be described as the bare faced boy from St. James street. I think he should be introduced to his bull moose friend from Vancouver Centre who wanted to take this out of the public field and put it into the private sector entirely. This is an area of public activity designed to bring about an expansion of trade and to provide new jobs, and the sooner we get this legislation passed and into operation the earlier people in my constituency and many others will be put to work. Not long ago, crocodile tears were being shed by members on the benches opposite about the necessity of creating employment. Now, let us get on with it.

Mr. Byrne: I wonder why the hon. member who has just resumed his seat did not use his persuasive abilities to encourage the government to call parliament three months ago in order to get on with this legislation. It seems to me that the remarks of the hon. member for Vancouver South were made for the purpose of obtaining information and if, as a result, it was necessary to deliver to the house a long political tirade, then I am not familiar with the usual operations of a committee such as this.

I want to make one point clear. It still appears to me that ministers on the government benches remain of the opinion that they are sitting here in the opposition. Let them realize that they form the government. Let

them give us the facts concerning this legislation, and if we agree with them we shall be happy to make progress.

Mr. Muir (Cape Breton North and Victoria): I should like to make one observation, namely to impress on all members of this committee how important this legislation is to the people of Cape Breton island and, indeed, to the whole of Nova Scotia. We have a steel making industry there—the manufacture of steel rails—which, as I think all members will agree, have a high labour content. This measure is important since it is a means of getting employment for people on Cape Breton island. Having made that observation, may I ask the minister what would be the value of the steel rails and other products which have been sold by the Dominion Steel and Coal Company from their plant at Sydney with the assistance of this legislation.

Mr. Hees: About $25 million.

Mr. Scott: I have a few remarks to address to the committee, but before making them I wonder if I might ask the minister for a word of explanation about clause 3 of the bill. Subclause (a) is concerned with lending money to importers. What groups or organizations fall within the classification of importers?

Mr. Hees: We are merely accepting directly the notes of the foreign buyers. That is what it means.

Mr. Scott: Does that include foreign governments?

Mr. Hees: Either a foreign government or an individual private firm.

Mr. Scott: In my remarks yesterday I thought I had made a case for an extension of low interest loans to foreign governments whose countries are in a stage of development. I do not want to repeat all the material I submitted to the committee yesterday. Indeed, I thought the case I made was so strong that the minister would have himself brought in an amendment today covering the subject. However, since he has not done so, and for the sake of bringing this matter before the committee, I want to propose an amendment to the clause. The purpose of the amendment is to make clear that the government can and will go into the question of making low cost loans to underdeveloped countries.

The figures given us yesterday by the minister all related to loans which have been made at commercial rates of interest. My point is that the developing nations of the world cannot afford to take on any further loans at commercial rates of interest because the cost of paying the interest, together with the repayment of capital, is too high. I would therefore move:

> That subclause (1) of clause (3) be amended by adding to subsection (2) of section 21(a), as that subsection is thereby substituted, the following paragraph:
>
> "(f) for the purpose of assisting in the development of other countries, lend money to the government of any other country, or its agent, upon such terms as to interest, if any, and repayment and other terms and conditions as will best fulfil the true intent and spirit of this paragraph."

Mr. Hees: Yesterday, in the remarks I made in answer to the suggestion put forward by the hon. member for Danforth, I outlined how already section 21(a) did precisely what the hon. member has suggested. However, with regard to his proposed amendment I would refer the committee to section 54 of the British North America Act which reads as follows:

> It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address, or bill for the appropriation of any part of the public revenue or of any tax or impost to any purpose that has not been first recommended to that house by message of the Governor General in the session in which such vote, resolution, address or bill is proposed.

Therefore, Mr. Chairman, I submit that the proposed amendment, having not been first recommended to the house by message of the Governor General, is clearly out of order.

(Translation):

Mr. Gregoire: Mr. Chairman—

(Text):

The Chairman: Is the hon. member speaking to the point of order?

Mr. Gregoire: May I speak on that?

The Chairman: Until the relevancy of this amendment has been ruled upon by the Chair, I just want to hear hon. members on the point of order, if I may.

Mr. Howard: Mr. Chairman, on the point of order, as I understand it, the minister has indicated already that in the proposed paragraph (a) of the bill the word "importer" is taken to mean and include the government of another country, if such should be the case and the desire. I submit, Mr. Chairman, that all the proposed amendment seeks to do is to say with regard to an importer who is the government of another country that we should establish certain rules and have certain guideposts. There is nothing new whatever in so far as being contrary to section 54 of the British North America Act. It is dealing merely with precisely the same thing with which the minister dealt in paragraph (a). It seeks merely to deal with the question of an importer from the point of view of drawing a distinction between an importer who is a private corporation or a private person in another country and an importer who is in

fact a government or an agency, or an agent of a government in another country. It is merely to draw a clarification so far as our approach is concerned when that importer is the government of another country and raises no tax or impost or appropriation of any part of public funds. It deals alone with that which has already been brought in by way of a message from His Excellency, the one brought in by the minister. It draws only a distinction between those two types of importers, the better to assist other countries in developing economically.

Mr. Hees: Mr. Chairman, in speaking to the point of order raised by the hon. member for Skeena, the proposed amendment would appear to direct the way in which the money would be used, and that is clearly changing the legislation before the committee.

Mr. Scott: Mr. Chairman, on the point of order, I have tried quickly to read the Governor General's recommendations, and on page 8 of *Hansard*, the second column, you will find these words:

> Canada's prosperity and growth must ultimately rest in large measure upon its exports. To achieve adequate export levels it will be necessary to increase further Canada's capacity to produce competitively and its ability to sell in export markets. The government's industrial programs are directed toward these ends. Its commercial policy negotiations have the objective of opening additional markets to Canadian producers in fair exchange for opportunities for others to sell in Canada.

It continues along those lines, and a little later goes on:

> You will be asked to provide the funds necessary for this increasing trade promotion work. Amendments to the Export Credits Insurance Act will also be placed before you—

And so on. I respectfully submit that the words I have just read clearly envisage the kind of program which is added by the amendment before you, and the minister cannot possibly say that the message of the Governor General did not contain precisely this kind of idea.

Mr. Howard: May I expand upon that and point out to the minister that the resolution which preceded the bill, as appears on page 449 of *Hansard* for October 12 and which the minister moved, reads as follows:

> That it is expedient to introduce a measure to amend the Export Credits Insurance Act to increase from two hundred million to four hundred million dollars the limit of the liability of the Export Credits Insurance Corporation under contracts of insurance entered into under section 21 of the act; and to provide further—

I think these are the key words, Mr. Chairman.

> —for certain changes in connection with the administration of the act.

This is precisely the section with which we are dealing and to which the minister referred, and to which the explanatory notes in the bill refer. It is in no way directing the expenditure of any moneys; it is dealing precisely with the message of His Excellency, the administration of the act, and the like.

(Translation):

Mr. Gregoire: Mr. Chairman, I should like to say a word about this question of low-interest loans made by the government or by that corporation to other countries.

In my opinion, the amendment is out of order for two reasons. First of all, how can Canada lend money to other countries when it has to borrow some because it does not even have enough for itself? How can one lend money when one has none and one has to borrow elsewhere? That is absolutely ridiculous.

Furthermore, how can we think of lending money at low interest to other countries when our own citizens have to borrow from finance companies to pay for what they need, when they have to pay 24, 28 and even 32 per cent interest?

If we can afford to make low interest loans, let us lend first of all to the Canadian people.

(Text):

The Chairman: Order. I am now trying to give a decision as to the admissibility of the amendment. If the hon. member would just wait for a moment or two until we have that settled, we can then hear what he has to say.

Mr. Hees: Mr. Chairman, in answer to the hon. member for Skeena, I should just like to read the original resolution:

> That it is expedient to introduce a measure to amend the Export Credits Insurance Act to increase from two hundred million dollars to four hundred million dollars the limit of the liability of the Export Credits Insurance Corporation under contracts of insurance entered into under section 21 of the act; and to provide further for certain changes in connection with the administration of the act.

These are not general changes. These are specific changes as outlined in the bill before us, and I submit, Mr. Chairman, that what the hon. member for Danforth has suggested are additional changes which would direct how the money administered should be used. Therefore the amendment, according to section 54 of the British North America Act, is out of order.

Mr. Knowles: Mr. Chairman, may I submit with all respect to my hon. friend, the Minister of Trade and Commerce that, although he may have had in mind what the administrative changes were going to be, those administrative changes were not spelled out in the prior resolution which was brought in with the concurrence of the Governor General. What we have before us in the resolution are two things, a new ceiling of $400 million and authority to make certain administrative changes. This amendment is still governed by the new ceiling of $400 million and does not propose to go through that ceiling. This amendment provides for administrative changes, and I submit that because of the general wording of the latter part of the resolution, hon. members of the committee are entitled to make amendments which come within that general framework. As I say, the word "certain" may have meant something to the minister, but that part of the resolution did not spell out the precise changes to be made. So far as the proposed amendment affects the question of money, I submit it does not involve any expenditure not already provided for in the resolution. The resolution sets a new ceiling of $400 million, and this amendment comes under that ceiling.

Mr. McGee: Mr. Chairman, apparently during the absence from the house of the hon. member for Winnipeg North Centre a certain creakiness has set in to the process by which he approaches procedural matters. If I heard him correctly a moment ago, his statement was that because there was a general statement in the resolution stage, this immediately opened both doors and one would be entitled from any corner of this house to drive through a carriage and four, with a completely different bill, with different particular articles behind them, at a later stage in the resolution. Any resolution by definition states the proposition in general terms. Then, as I understand it, the procedure is that the bill, when introduced to the house, lays out in particular what the references were in general in the resolution and in the same general terms in the speech from the throne. In concluding, might I add that the group in the corner, the lonesome eight as we used to call them, used to complain that they did not have any lawyers in their ranks. It seems to me that perhaps they have too many.

Mr. Howard: I would not care to be so unkind as to make any comment about the heady position in which the parliamentary secretary now finds himself. It is quite obvious that he has his eyes on other goals than the one about which he was speaking a moment ago. I should like to read from section 54 to which the minister referred:

> 54. It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address, or bill for the—

And these are not enumerated.

> —appropriation of any part of the public revenue,—

This specific amendment does not appropriate any part of the public revenue.

> —or of any tax or impost,—

This amendment does not contemplate any tax or impost.

> —to any purpose that has not been first recommended to that house by message of the Governor General in the session in which such vote, resolution, address, or bill is proposed.

It does not seek to appropriate any part of the public revenue. That has already been done. That has already been dealt with in an earlier clause of the bill. It does not impose any tax or impost; neither does it deal with those specific things. Neither does it give direction to a course which the Governor General or the corporation may follow with respect to the lending of certain money; for these loans are ones within the general limitation imposed earlier and are permissive in any event because of the preceding words of the proposed section 2 which reads as follows:

> When authorized by the governor in council, the corporation may—

Then it enumerates (a), (b), (c) and (d). We propose merely the additional one as a further clarification of this permissive authority given by parliament to the Governor General and to the corporation.

The Chairman: Order. I am not so much concerned whether there is an extension of the resolution on which the bill under consideration was based in terms of expanding the amount of money that may be committed under this section by the crown, although I would quote authority in that respect which I think it would be worth while to put on the record. I refer to Beauchesne's fourth edition at page 207, paragraph 3, which reads as follows:

> (3) The guiding principle in determining the effect of an amendment upon the financial initiative of the crown is that the communication, to which the royal demand of recommendation is attached, must be treated as laying down once for all (unless withdrawn and replaced) not only the amount of a charge, but also its objects, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment infringes the financial initiative of the crown, not only if it increases the amount, but also if it extends the objects and purposes,—

Those are the words which I think should be especially noted and I will repeat them.

—but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the crown has demanded or recommended a charge.

I find it a little bit difficult to reconcile the wording of this amendment with the explanatory note in respect of clause 3(1) in the bill which reads as follows:

This amendment would permit the corporation to accept direct obligations of importers under or in respect of export transactions, to lend money to holders of instruments made payable to the corporation and to sell instruments guaranteed by the corporation or made payable to it.

This is the point at which the question of relevancy arises. In this respect I refer the hon. gentleman to May's sixteenth edition at page 556, subparagraph 13, which reads as follows:

Amendments or new clauses creating public charges cannot be proposed, if no money resolution or ways and means resolution has been passed, or if the amendment or clause is not covered by the terms of the resolution.

This gets me back to where I started, namely the possibility that the fundamental basis of the bill might be extended by the terms of the amendment and involve a public charge, and a secondary ground to which I referred briefly in comparing the amendment proposed to the explanatory notes in the bill. On the question of relevancy I find that it extends the meaning of the section and the scope of the entire bill. Accordingly, I am obliged to rule the amendment out of order.

Shall clause 3 carry?

Mr. Scott: With the greatest of respect, Mr. Chairman, to the opinion which you have just thoughtfully delivered, I regretfully must appeal your ruling to the house.

Mr. Speaker resumed the chair, and the chairman of the committee made the following report:

The question which has been appealed to the house from the ruling of the chairman of the committee of the whole is as follows:

In committee of the whole, when clause 3 of Bill C-63, an act to amend the Export Credits Insurance Act was being considered, the hon. member for Danforth moved in amendment the following:

"That subclause 1 of clause 3 be amended by adding the subsection 2 of section 21(a), as that subsection is thereby substituted, the following paragraph:

'(f) for the purpose of assisting in the development of other countries, lend money to the government of any other country, or its agent, upon such terms as to interest, if any, and repayment and other terms and conditions as will best fulfil the true intent and spirit of this paragraph.'"

I ruled the amendment out of order as being irrelevant in that it purported to extend the fundamental provisions of the bill and also that it probably infringed the financial initiative of the crown. Whereupon the hon. member for Danforth appealed to the house from the ruling of the Chair.

Division

Mr. Speaker put the question as follows:

The question before the house is an appeal from a ruling given by the chairman of committees of the whole house, as follows:

In committee of the whole when clause 3 of Bill No. C-63, to amend the Export Credits Insurance Act, was being considered, the hon. member for Danforth (Mr. Scott) moved in amendment the following:

That subclause 1 of clause 3 be amended by adding to subsection 2 of section 21(a), as that subsection is thereby substituted, the following paragraph:

"(f) for the purpose of assisting in the development of other countries, lend money to the government of any other country, or its agent, upon such terms as to interest, if any, and repayment and other terms and conditions as will best fulfil the true intent and spirit of this paragraph".

The chairman ruled the amendment out of order as being irrelevant, in that it purported to extend the fundamental provisions of the bill, and also that it probably infringed the financial initiative of the crown, whereupon the hon. member for Danforth appealed to the house from the ruling of the Chair.

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:

Addison
Aiken
Alkenbrack
Argue
Asselin
Badanai
Balcer
Baldwin
Baskin
Batten
Bechard
Beer
Belanger
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Benson
Bernier
Bigg
Boulanger
Bourbonnais
Bourque
Boutin
Bradley
Brown
Byrne
Cadieu
Cadieux
Cameron (High Park)
Cantin
Cardiff
Cardin
Caron
Carter
Cashin
Casselman, Mrs.
Chaplin
Chevrier
Churchill
Clancy
Clermont
Clunis
Cook
Cooper
Cote
Cowan
Crestohl
Crossman
Crouse
Denis
Diefenbaker
Dinsdale
Drouin
Drury
Dumont
Dupuis
English
Enns
Ethier
Fairclough, Mrs.
Fairweather
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Forgie
Foy
Frenette
Gagnon
Garland
Gauthier
Godin
Gordon
Grafftey
Granger
Gray
Green
Gregoire
Grills
Gundlock
Habel

Division

Haidasz
Hales
Halpenny
Hamilton
Hanbidge
Hardie, Mrs.
Harkness
Harley
Hees
Hellyer
Hodgson
Honey
Horner (Acadia)
Horner (The Battlefords)
Howe
Jorgenson
Kennedy
Kindt
Korchinski
Lachance
Laing
LaMarsh, Miss
Lamoureux
Lamy
Langlois
Laniel
Laprise
Latulippe
Leboe
Legare
Legere
Lessard
(Lake St. John)
Letourneau
Loiselle
Macdonald, Mrs.
Macdonald (Rosedale)
MacEachen
MacEwan
Mackasey
MacLean (Queens)
Macnaughton
Macquarrie
MacRae
McBain
McCleave
McDonald
(Hamilton South)
McGee
McGrath
McIlraith
McIntosh
McMillan
McNulty
McPhillips
McWilliam
Maltais
Mandziuk
Martin (Essex East)
Martineau
Matheson
Matte
Millar
Mitchell
Monteith
Moore
More
Muir (Cape Breton
North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nicholson
Nielsen
Nowlan
Nugent
O'Hurley
Ormiston
Ouellet
Pascoe
Patterson
Paul
Pennell
Perron
Phillips
Pickersgill
Pilon
Plourde
Pugh
Rapp
Ricard
Richard
Rideout
Rinfret
Robichaud
Robinson
Rock
Rouleau
Roxburgh
Roy
Ryan
Rynard
Sams
Sévigny
Simpson
Skoreyko
Smallwood
Smith (Calgary South)
Smith (Simcoe North)
Southam
Starr
Stefanson
Stenson
Stewart
Thomas
Thompson
Tucker
Turner
Valade
Vincent
Wahn
Walker
Webb
Weichel
Whelan
Winkler
Woolliams—206.

NAYS

Messrs:

Barnett
Berger
Brewin
Cameron
(Nanaimo-Cowichan-
The Islands)
Herridge
Howard
Knowles
Lewis
MacInnis
Mather
Orlikow
Peters
Prittie
Scott—14.

[Mr. Speaker.]

Mr. Speaker: I declare the ruling confirmed. It being now five o'clock the house will proceed to the consideration of private members' business as listed on today's order paper, namely, private bills.

There being no private bills the house will consider public bills.

BANKRUPTCY ACT

AMENDMENTS RESPECTING WAGE EARNERS' ASSIGNMENTS

Mr. David Orlikow (Winnipeg North) moved the second reading of Bill No. C-7 to amend the Bankruptcy Act (wage earners' assignments).

Mr. Speaker: Order. If there are hon. members who intend to leave the chamber, may they do so with dispatch and a certain degree of quiet so that the hon. member from Winnipeg North may be heard without undue delay.

Mr. Orlikow: More and more people are finding it impossible to meet payments for purchases made on instalments and are going broke in the process. The old adages we used to hear preached so often about careful management, thrift, and buying only what we can afford have practically disappeared from the Canadian language except, of course, where applied by some stump speakers to government operations. Few people in Canada can ignore the siren calls of the advertisers designed to make us all want to keep up with the Joneses. It is practically a sin if we do not own our home, drive a car or possess a television set, an automatic washing machine or a dryer. Even if we cannot really afford these things we have got to have them. After all, it is easy to charge now and pay later or, as the air lines advertise so effectively, travel now and pay later. And if some people do not know how to get credit, there are plenty of retailers and friendly finance companies who will show them how to do it with a simple stroke of a pen.

Later, many people find it is difficult or impossible to meet the supposedly easy payments; but by then it is too late, the borrower is in trouble. He finds out, then, that he is not nearly as popular as he was, or thought he was, when he was buying. He finds out that he is just a small cog in the wheel, just a statistic. He finds out that the retail store which encouraged him to buy the stove or the washing machine or the television set, and which did not ask too many questions about how many other things he was buying at the same time, or whether he could afford to pay for them or not, wants its money. What is more likely, and even worse, is that the finance company to which the retail store

sold the note wants the money and wants it right away. The borrower is on his own. It is then he gets the nasty telephone calls, the threatening letters, the judgment summons, the garnishee order and all the rest of it. This is the time when the creditor stops answering the telephone; when he stops answering the ring of the doorbell and pulls down the blinds of the front room so that people will think he is not at home. But, of course, by that time it is too late. This is when employers often fire employees because they do not like to be involved in the kind of squeeze represented by garnishee orders. By this time many people are so far in debt that they cannot manage to work their way out in the time allotted to them.

This bill uses the present machinery of the Bankruptcy Act and the bankruptcy courts to protect both the wage earner in trouble and his creditor. The legitimate creditor is entitled to protection. The bill offers an inexpensive procedure by means of which the wage earner can pay his creditors.

Under this bill a new part is added to the Bankruptcy Act following section 26 of the act. This permits an insolvent wage earner to make an assignment to an official receiver who has the power to appoint a trustee to handle the case. The wage earner is obliged to submit his future wages to the trustee's control, so that the trustee may make regular payments to the wage earner's creditors.

The trustee can apply to the bankruptcy court for relief of the wage earner against unconscionable contracts, and the court has the power to exempt the wage earner from payment of excessive interest charges of which there are far too many.

The court has the power to enforce obedience to the arrangements worked out by the trustee. The court has the power to discharge the wage earner when he has fulfilled his obligations under the proposal. If the debts have not been paid off after three years, the wage earner must apply to the court for an extension of time in which to do so.

This bill would help both wage earner and creditor. The wage earner would be aided in the orderly payment of his debts, and the creditor would be more likely to get the money which he has loaned to the wage earner, usually in the form of goods sold.

Mr. Speaker, similar bills have been enacted in the United States and have helped thousands of creditors there. This bill would prevent financial ruin for many people and deserves the support of all hon. members.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, the general idea behind this bill is commendable. There has long been a need in this country for legislation of this kind which will simplify the procedure for people who are not in business and to whom the bankruptcy legislation does not presently apply. These are people who want to make an arrangement of some kind with their creditors but do not have the assets or the ability to proceed under the Bankruptcy Act as it presently stands.

Legislation similar to this particular bill has already been introduced into other legislative bodies, as has been said by the hon. member who introduced the bill. Specifically in Canada there was a bill in the province of Alberta which was passed in 1959 and had similar objectives, but was a much different bill. This bill was the orderly payment of debts act of 1959 of the province of Alberta. That legislation was passed in order to permit debtors who wanted to make an assignment or an arrangement with their creditors to do so. The Supreme Court of Canada ruled in 1960 that the measure was invalid because it infringed on the powers of the federal parliament to make bankruptcy laws. This decision is reported in 1960 Supreme Court Reports, page 571. The supreme court held that, although there may have been some provincial rights involved, the legislation which the province of Alberta had passed was in substance bankruptcy legislation and therefore beyond the power of a provincial legislature.

Following this declaration, of course, it is obvious that the power to pass such legislation rests solely within the parliament of Canada, and this legislation now proposed appears to be quite in order from the constitutional viewpoint. Although the bill is not yet before us, Mr. Speaker, I think we should take note of the fact that in the other place the government has already introduced legislation of a similar type, and it is to be found in Bill S-2 of the Senate. I would not want to discuss this bill because it has not yet come before us, but I think we should take note of the fact that there is similar legislation proposed, although somewhat different in form and content, to the bill we are now discussing.

Mr. Speaker, I should like to point out a few matters which are deficiencies in the bill which is now presented to us. The bill we have before us is applicable only to persons classified as wage earners, and I believe there are others who should also be covered by this legislation. I think it could very well be extended to include anyone who is not normally included in the present bankruptcy legislation. The present legislation makes provision for companies, and persons carrying on a trade or business, to go into bankruptcy, but it does not make provision

for the private individual. I think this bill would be improved if it were expanded to include any private person, not just an individual wage earner as defined in the bill.

I think there is a second deficiency we should look at very carefully, and this is that under Bill No. C-7, the wage earner has to go into bankruptcy before he can get the protection or the benefit of the act. I think there should be a simplified way of allowing debtors to make a compromise or consolidation of debts other than by going into bankruptcy. I feel that the wording of clause 26(b), although we are not permitted to discuss it, indicates that the wage earner must have filed an assignment, and therefore at that point he would be a bankrupt; and if he had the ability in subsequent years to pay off his debts bit by bit and finally get released, in the meantime he would have been classified a bankrupt even if his debts were not large and he was asking merely for an extension.

There are a couple of other things I should likewise mention. The most difficult part of this bill, I believe, is the clause which allows a trustee to apply to the courts to modify existing contracts. This particular clause is a most difficult one, particularly from the constitutional aspect, because contracts are certainly property and civil rights, and normally come within the jurisdiction of the province. However, the supreme court might very well hold that, if it were ancillary to bankruptcy legislation, it would be valid. But we have another matter to consider, a moral matter rather than a legal or constitutional one, and that is whether we should allow a court or a trustee to alter an existing contract. We know that such a course has recently been followed in certain provincial legislation, in which contracts which were binding were permitted to be altered. But contracts generally are considered to be sacred once they are signed by parties who know what they are doing when they sign them. Any other type of contract which is fraudulent can be declared void by the courts and set aside. But I believe we are entering into a very dangerous field, Mr. Speaker, in the particular clause of this bill which permits the court to revise a contract already signed and in force at the time the trustee takes over. I think that is a very difficult matter and that the clause as it presently stands does not contain the proper safeguards that we should like to have in connection with the validity and sacredness of contracts properly signed. This particular clause causes me some considerable difficulty.

I would also suggest to the hon. member that the bill is not clear as to whether or not debts have to be paid in full before a debtor can obtain a discharge. The notes in connection with the bill indicate that they must be, but the bill itself is not clear. There is provision for the discharge of a person who has lived up to whatever is provided for. I think the bill could be improved considerably were it made more clear whether or not debts must be paid up in full before a discharge could be received.

There is one other difficulty which I can see in the bill as it stands at present. It relates to the provision that all other sections of the Bankruptcy Act shall apply to this amendment. The Bankruptcy Act is an extremely complicated and difficult statute, of course. It contains provisions which apply to large bankruptcies or to persons who have extremely large debts. It may be the case that there are a great many sections of the Bankruptcy Act which should not apply. The difficulty with regard to this type of legislation was pointed out in a case in the Ontario supreme court. It was styled as Re W. Hanna Company and is found in Canadian Bankruptcy Reports 1961, volume 2, at page 70. In that particular case a proposal under the Bankruptcy Act was being considered and it was found most difficult to apply all the provisions of the Bankruptcy Act to proposals. I believe the present bill is one further extension of the proposals which at present are in the bill. Hence in this particular case I think it would be much better if there were a more detailed spelling out of the provisions of the Bankruptcy Act which should apply to wage earners.

Notwithstanding the criticisms I have made, Mr. Speaker, the principle behind the bill is a good one. I believe the principle of Bill No. S-2 which may in due course come before us should be left open, and that we should consider this Senate bill when it comes here, prior to making a final decision on Bill No. C-7 which is now before us. I believe the major difficulty is that the debtor himself must go into bankruptcy. I think there should be a provision which would allow him merely to consolidate his debts and to make a proposal to his creditors which would be sanctioned by the courts and by law, without the need of going into bankruptcy.

There is in the bill a provision that the trustee shall be appointed without being bonded and that any person other than a licensed trustee can be appointed. I believe this is a rather dangerous procedure. I realize that it is necessary to make provisions under which it will be easy for the debtor to make an application under this act. However, to make an application to any person, whether a licensed trustee or not or whether bonded or not, I believe is a rather dangerous proposal. In the result, Mr. Speaker, while I commend the principle of the bill, I would prefer that we do not make a final decision on

it until amendments could be made in order to bring it into conformity with some of the suggestions I have made, and perhaps until after we have had an opportunity to consider Bill No. S-2 which no doubt will in due course come to us from the other place.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) is to be commended—

Mr. Knowles: The hon. member means the hon. member for Winnipeg North (Mr. Orlikow).

Mr. Byrne: Yes, the hon. member for Winnipeg North. The hon. member for Winnipeg North Centre is on his feet so often in the house that one can probably be given some consideration and understanding with regard to errors that are made. The hon. member rises quite frequently, to his credit I must admit.

This bill now before us is one that takes into consideration the serious financial situation in which an individual wage earner or other individual may find himself through over-extending his credit. The hon. member has pointed out the many inducements that are put before the buying public in these days of mass production and as an indication that it is becoming more widespread and that there should be some legislation which would assist the individual as opposed to the corporation, has referred to the fact that even the chartered banks have now gone into the consumer credit business. However, there is one thing which we must bear in mind, namely that the creditor, in extending credit, will with respect to each application give consideration to the trustworthiness of the applicant. As we constrict the collecting possibilities or, for that matter, in many instances the interest rates, we narrow the field in which the applicant may be able to obtain necessary financing under circumstances that may be extremely urgent. For that reason I think we should be careful that we do not, by enacting too many measures, restrict the ability of the individual to obtain cash when it is required.

I was unable to hear the hon. member too well when he was speaking and I am not sure whether he referred to the Lacombe act which is in effect in the province of Quebec. This act seems to work successfully, I have been told, in that a person who finds himself in circumstances of imminent bankruptcy may apply to the court for permission to consolidate his debts and to make restitution on a monthly basis as a percentage of his salary. The hon. member for Parry Sound-Muskoka has indicated that such an act was declared to be ultra vires the powers of the provinces in respect of the province of Alberta. There must therefore be some difference in the two acts to which I am referring. It might be possible that this matter could be given consideration by the various provinces.

We believe that the principle of this measure is worthy of the consideration of the house. I as a member on this side of the house would not wish to delay action of the house. For that reason I think any further discussion by me on the matter is perhaps superfluous.

(Translation):

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, first, I should like to make an observation. A while ago, I heard a member from which constituency I do not know, mention that similar legislation had been passed in Alberta only to be found ultra vires by the supreme court.

Well, I must say, Mr. Speaker, it does not mean that the legislation is bad, because, in Alberta, the Social Credit government tried some time ago to have seven pieces of legislation concerning money and provincial banks adopted, and they were all rejected by the privy council in London. Yet, they were the best ever put forward either by a provincial government or a federal government.

Mr. Speaker, when one reads the bill now before the house, one cannot fail to see how good it is, especially when it is seeking to protect the consumer from the excessive practices of the finance companies, which are only thinking of taking advantage of the consumer and getting rich at his expense.

Right now, I just happen to have, in the riding of Lapointe and in the whole Saguenay area, an example of consumers who have been taken in by finance companies and sewing machine salesmen. More than 80 people bought sewing machines or rather, were supposed to get them free. But before receiving them, they were asked to sign a financing contract, after which the selling firm agreed to make the monthly payments.

The selling firm discounted all contracts and notes through a finance company, the Seaboard Finance, and did not continue to make payments on behalf of the buyers. Today, those customers who got their sewing machines free have to pay them double their value.

If this Bill No. C-7 carried, the contracts would have to be revised so that the customers would not have to pay double the normal selling price simply because of a salesmanship scheme.

I think this bill would also provide a protection for the consumers who, in many cases, because we have tight money, must use finance plans to get what they need or else do without it. Very often the consumer has to borrow from some finance company to buy living room or bedroom furniture and then he may be out of work because that is a consequence of our present system. He may wish to buy a house with a repayment period of 25 years, but even then, he may happen to lose his job.

When that happens, the finance companies never lose, they repossess the articles, refrigerators, electrical stoves or furniture and then, the consumer loses not only the amounts he has already paid, but he is also deprived of what he had bought by the finance company which manages to resell those articles to friends, at a price much lower than the ordinary sale price. The finance company has the right to sue for the balance, that is the difference between the sale price and the instalments the first purchaser could not make.

Those are, Mr. Speaker, the situations in which the Canadian consumers find themselves. I could give you so many instances where it is always the little man who is crushed by the big finance companies. However, if one goes to the heart of the matter, one finds that in most cases those finance companies are branches of chartered banks which, finding that they do not make enough money when they make loans at 6 per cent, subsidize finance companies which make loans at interest rates of up to 24, 28 and even 32 per cent.

I know what I am talking about, Mr. Speaker, because in order to buy my car which is parked near the parliament buildings, I had to pay an interest rate of 32 per cent.

Then, the finance companies are subsidized or assisted by the chartered banks which are used to take unfair advantage of the small wage earner who is always facing great difficulties and paying more than others because he does not have the purchasing power with which to buy our goods.

Mr. Ouellet: You are not the only one who has to pay for his car through a finance company.

Mr. Gregoire: No, I am not the only one to have bought a car through a finance company. Fortunately I finished paying for it fourteen months ago. But a great many persons in Canada will lose everything because they cannot make their payments.

[Mr. Gregoire.]

Having consulted with the Social Credit group and for the reasons that I have just mentioned, and in order to bring into line the finance companies which take advantage of the small wage earner, I can say that we are going to vote for Bill C-7.

(Text):

Mr. R. G. L. Fairweather (Royal): Mr. Speaker, I realize, of course, that the matter we are discussing will not quicken the hearts of many Canadians but I do agree that it has very important implications for what I might call a credit cushioned society. I think the hon. member for Kootenay East is naïve when he suggests to us that all those sellers who are anxious to extend credit investigate the people to whom they are advancing credit. This has not been my experience. I think it is one of the deplorable aspects of today's commercial practice that the ability of the purchaser to repay is all too often forgotten.

Having said that, I think that as a lawyer I must admit that on many occasions the commercial statutes of the provinces and of this parliament do not in any way keep pace with the facts of commercial life. I suggest that the amendment to the Bankruptcy Act which has been introduced in another place satisfies many of the provisions of Bill No. C-7 now before us. I share the views of the hon. member for Parry Sound-Muskoka about the constitutional problem involved in this bill. I am not one of those who worship at the altar of provincial rights but on the other hand I do not think this house should walk into a constitutional problem when we have been forewarned about it.

I also feel, as has been said by the hon. member for Parry Sound-Muskoka, that the grave deficiency in the present bill is that a wage earner—apparently the bill is intended to include only wage earners—must make an assignment before this legislation becomes effective. In other words, he must go bankrupt. This is a tragic thing. As I understand it, he could not even be sent to the other place if he was a bankrupt, at least an undischarged one, and we can think of many other disabilities that might face him. Not the least of these is the disability of being known as a bankrupt.

I think this is a grave deficiency in the bill before us. I suggest that the bill introduced require a longer period than that normally

in the other place makes no such drastic provision and therefore it would be well if we waited for the progress of that bill from the other place to this place.

(Translation):

Mr. Clement Vincent (Nicolet-Yamaska): Mr. Speaker, I am sure that the reasons which led the hon. member for Winnipeg North (Mr. Orlikow) to introduce this bill are praiseworthy.

Like the hon. member for Lapointe (Mr. Gregoire), I must say that even if all salesmen do not act that way, some high-pressure salesmen nowadays do not even take the trouble of inquiring about a person's income before they sell him all kinds of merchandise. We have often met people who have gone bankrupt after signing contracts with such companies.

We must examine this question in the light of those facts, but I feel that the bill introduced by the hon. member for Winnipeg North is somewhat of a replica of the legislation presently under consideration in the Senate. In fact, I had the opportunity of discussing a similar bill with high officials of the government and they referred me to the bill which is before the Senate at present. I have read and re-read that bill, and I really think we should wait until Bill S-2 is passed in order to determine whether it really protects our fellow citizens, wage earners or others in the province of Quebec and in the other provinces of Canada. And if later we, the representatives of the people, both of the wage earners and farmers, find out that that bill does not provide enough protection to wage earners or farmers, it will then be up to us to introduce again in the house a measure to amend that bill, a measure which certainly will be adopted.

As I was saying a moment ago, Mr. Speaker, the reasons which have led the hon. member for Winnipeg North to introduce this measure are good and commendable. On the other hand, I am of the opinion that all members must clearly express their opinion on this bill, in order that we may introduce the best possible measures to protect our wage earners, our farmers and the people in general.

Besides, I noticed that the hon. member for Lapointe agrees wholeheartedly with me when he talks of those high pressure salesmen who, through certain finance companies, go around selling sewing machines, aluminum windows or what have you. The discussion could go on for hours and hours as to why the workers buy these machines or those different articles. However, we could also remind them that when they purchase some article, when they sign a contract, they have to pay for it. This does not mean, obviously, that these people are always responsible for those purchases, for too often, the salesmen have tried to lure the customers with what they claim are fine things but which, in fact, are not.

Mr. Speaker, I am in favour of the principle of the bill, but I think we should wait and see what will happen to the bill which is before the other place, in order to be able to see whether there is anything wrong with it and then propose amendments which would certainly benefit the whole country.

Mr. Vincent Drouin (Argenteuil-Deux-Montagnes): Mr. Speaker, I shall be brief as I do not want to speak until six o'clock.

I should like to point out, however, that the principle of the bill now before us should not be discussed by this house for the good reason that it raises a point of civil law which, in my humble opinion, comes essentially within provincial jurisdiction. Besides, as was stated earlier, the province of Quebec has assumed its responsibilities with regard to the problem caused by the insolvency of the small wage earners.

Therefore, under the pretext that this bill could be related to the Bankruptcy Act, we should not connect to that legislation measures of all kinds which would actually be appended to an act of an exceptional nature, because the Bankruptcy Act is an exception to the general rule providing that all matters of civil law come essentially under provincial jurisdiction.

In concluding, Mr. Speaker, I state once again that under the British North America Act, this matter falls strictly within the competence of the provinces and should not be considered by this house.

Mr. David Ouellet (Drummond-Arthabaska): Mr. Speaker, members have talked about salesmen, bankrupt people, all sorts of things.

I am a salesman myself, maybe not the kind of high pressure salesman referred to, but selling has been my profession for 25 years.

I have seen all sorts of things in my life. So I have not much sympathy for certain finance companies, because I have seen so many people robbed by them in a masterful way.

Some hon. Members: Hear, hear.

Mr. Ouellet: I will refer to a case which may seem somewhat ridiculous. When I was

working for a big company in the province of Quebec which had sold goods to a certain person, with note after note, I remember that the goods were completely worn out after ten years and the customer still owed more than at the time he purchased the goods.

Legal proceedings are taken against those people. On the other hand, we must admit that some public trustees press people into declaring bankruptcy, when the amount involved is only some $300 or $400, thus freezing their credit, reflecting on their good name and causing them a lot of trouble practically for the rest of their lives.

Earlier today, I heard two hon. members state that there always were lawyers to protect those people. Of course, those lawyers are members of a very distinguished profession, but we should keep in mind that the business of those gentlemen is said to have prospered only during the depression, which means that a good many people had accounts to collect.

In all those matters, it is not so much the individual who is to blame, because, on the television as well as on the radio, he is told all day long: ladies and gentlemen, if you want to be happy, you must have this, and you must have that.

On the other hand, if we were to object too much to those people buying on instalments what they have to buy now and if they were to stop buying, we would really find ourselves living in a period of austerity. You can be sure that that situation would be worse than the former, because the manufacturers would stop producing.

There is something wrong and the house must take the matter under discussion and consider it in the interest of the Canadian people.

(Text):

Mr. J. H. Horner (Acadia): In rising to speak on this particular bill, Mr. Speaker, I must say that while I agree with the greater part of the principles behind the bill, there are a few objections that I should like to point out in the short time remaining. The first objection is that this bill is mainly for wage earners. It makes no provision for the small farmer or other individuals who could not rightfully be classed as wage earners. Mention has been made in this debate so far of the the fact the bill makes no classification of individuals earning money. The bill provides protection only for wage earners. For this reason, I prefer Bill No. S-2 to Bill No. C-7.

Reference has been made to the fact that similar measures have been introduced in provincial legislatures. The one introduced in Alberta was ruled invalid by the supreme court.

Mr. Speaker: Order; the hour appointed for private members' business having expired, the house will now revert to the business that was interrupted at five o'clock.

EXPORT CREDITS INSURANCE ACT

AMENDMENTS INCREASING LIABILITY LIMIT, ETC.

The house resumed consideration in committee of Bill No. C-63, to amend the Export Credits Insurance Act—Mr. Hees—Mr. Paul in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

On clause 3—*Power to lend or guarantee, etc.*

Mr. Drury: Mr. Chairman, I had occasion to suggest to the minister yesterday that the additional sum of $200 million might more properly be applied to the regular business of the corporation rather than the section 21 business; namely, the section 14 type of business rather than section 21. Could the minister explain why the order in council procedure has been chosen rather than giving effect to the remarks that have been made as to the highly satisfactory degree of performance of this corporation in the past, its ability to transact business and the desire of the government to avoid red tape, including the passing of orders in council. All these arguments lead to increasing the section 14 authorization rather than section 21.

Mr. Hees: Mr. Chairman, I am glad to answer that question. Under section 14, which is the section under which regular business is transacted, there is the $200 million available to the corporation which is considered by the corporation to be quite sufficient to handle the regular business which it transacts, because as the hon. member will realize, this is regular, short term business and the amount of money used at any one time to provide this insurance is continually revolving as transactions become completed in a relatively short space of time. There is no need, in the opinion of either the corporation or the government, to increase the amount of money available to allow the corporation to carry out all of the regular insurance business it is called upon to carry out.

However, there is a considerable increase throughout the trading world in the type of transaction which section 21(a) is called upon to handle; that is, large transactions which

required under section 14. There are two reasons we require an enlargement of the amount of money available to insure this kind of transaction. First of all, these transactions are usually very large ones covering shipments of wheat, grains, machinery, industrial raw materials, and so on, and governments, particularly those of the United States and Great Britain, and also governments such as those of Germany, France and other industrialized countries, are using this kind of special, large scale insurance on a longer than normal term to make it possible for their exporters to obtain this kind of business in the world market. We are faced with the alternative of either meeting the terms which are made available to exporters in these other countries, or forgoing the business.

As the hon. member knows very well, the trading world of today is becoming an increasingly competitive market place and this government believes it is necessary to make available the kind of insurance that section 21 makes possible in order to obtain for Canada the large scale orders which otherwise could not be obtained for this country, orders which provide not only revenue for the country but a great deal of additional employment for Canadians and also enable Canada, like any other country, to better meet its international payments.

Mr. Drury: Mr. Chairman, if I might ask a further, supplementary question. As I understand it, sections 14 and 21 do not make any distinction in regard to term, upon which the minister appears to be dwelling; that is, that section 21 business is a different term business. As I recollect, the term is not mentioned in section 14.

Mr. Hees: Mr. Chairman, under section 14 the corporation handles all business which in the normal trading world of today is considered normal business. In other words, there is a recognized period of completion of a transaction for practically every type of commodity, a period during which it is reasonable to expect that the transaction for that particular type of commodity should be completed.

When requests are made to the corporation for insurance to cover a normal period at a normal rate of charge for that service, the corporation covers those transactions on its own under the authority provided it in section 14. But if the terms requested by the exporter in order to meet the competition from foreign countries are such that the directors of the corporation consider that such business is not normal business, it is of a longer period than that which would normally be allowed for the completion of the transaction; or if it is for an amount of money which is considered to be abnormal compared with what is considered normal for a single transaction for that type of business, then the corporation appeals to the Minister of Trade and Commerce, to the governor in council, for authorization by the governor in council to insure that extra large transaction for an extra long term.

Mr. Smith (Simcoe North): Now that we have come to the third section of the proposed amendments I should like to direct two questions to the attention of the minister. Last Friday the hon. member for Leeds made two statements in speaking on this measure, and one of them got some small notice in the press. The first was that the function of this legislation has changed over a period of time from being primarily an insurance function to being primarily a banking function. The second statement was to the effect that we were now publicly subsidizing a financing operation.

I have read the act, together with the proposed amendments, with some care and it does not seem to me that the amendments in any way increased the lending function of the corporation. Further, neither in the original act nor in any subsequent amendment can I find any reference to any subsidy. I should like the minister to tell me, if he can, whether or not this is the case.

Mr. Hees: Yes, I am glad to answer those two questions. Whereas the function of the corporation has changed somewhat due to the addition of section 21(a), it is still primarily that of an insurance corporation with financing added by the section I have mentioned. However, I stress that the primary function of the corporation is insurance. For example, if this bill passes the house, and I hope it will, there will be $600 million devoted to the insurance function and $300 million to the financing function.

The hon. member also asked whether the operation of the corporation subsidized the Department of Finance or the government. The answer is that it does not. As I said in my opening remarks on Friday, these operations, whether they involve insurance or financing, cost the taxpayers of Canada not one penny. The premiums for insurance and the interest charges for financing are fixed as far as possible on a break even basis, the object being that the corporation should neither make nor lose money. Naturally, in the interest of the taxpayers we tend to be on the black side of the ledger and, if anything, there is a slight profit made. But, as I said in answer to a question asked earlier in this debate, the profit over the period since

the corporation began operating 17 years ago amounts to only one fifth of 1 per cent. Thus I believe all hon. members will agree that the corporation operates on a break even basis and does not subsidize the government in any way.

Mr. Laing: I think the committee has benefited greatly tonight from the frank statement by the minister that this legislation is designed primarily to reach into foreign markets for Canadian goods in a strongly competitive world. I believe everyone agrees that the world today has come to a point where competition is extremely brutal. I was assured by a gentleman from Europe about a month ago that his firm had retained a bloc of business in Europe by investing in Florida real estate and owning several thousand bales of United States cotton. This sort of thing is increasing around the world and the minister is to be commended for pointing out to the committee that this is one of the techniques being used by foreign countries and now being adopted by ourselves to get Canadian goods into markets where they might not otherwise go.

I think, however, that the committee is entitled to have from the minister a series of answers to questions relating to the past experience to the corporation, because I note that the amendment provides for an extension into a number of activities not normally associated with a crown corporation or with this type of corporation.

I note that subsection (2) of section 21(a) empowers the corporation to lend money to an importer on the security of an instrument given by an importer in respect to an export transaction. It also extends to the corporation the right to purchase a guaranteed instrument or to lend money to the holder of a guaranteed instrument, or to sell to any person a guaranteed instrument. This means, I suggest to the minister, that the corporation is getting into that ancient but honest business of factoring, if I may use the term, and this is new to a corporation of this kind. I note that the powers given to the corporation in the past are not unlike those to which the amendment addresses itself, because formerly the corporation when authorized by the governor in council could guarantee by a proper endorsement or otherwise the payment of an instrument, or it could purchase a guaranteed instrument or lend money to the holder of such an instrument. I think the minister might well tell the committee what has been the experience in the past in this area of operations and I should also like to know where in the trading of these instruments he hopes the corporation will find a free and competitive market, because it would seem to me they would be handled by banking institutions or discount houses rather than offered freely to the public. I am not suggesting that the corporation which trades in these instruments becomes the prisoner of the export credits corporation but I do fear a situation where, due to the unusual nature of the instrument, the corporation might become the prisoner of the two or three institutions who would trade in them.

Earlier, the minister replied to the hon. member for Rosedale and suggested that while the transactions had been carried out with banking institutions it might be the intention of the corporation to offer these instruments freely. I ask the hon. gentleman in connection with the items in the annual report listed under section 21(a) and involving, I think, the lending of some $41 million to four different countries, or corporations in those countries, if there is any experience in connection with the handling of these bonds or commitments by the countries concerned which he thinks would be profitable for the committee to know. I notice that the interest rate is listed at 6 per cent. Have these bonds been sold and if so were they sold at a discount?

I have listed a number of questions of the minister and I want to thank him for telling the committee tonight very frankly that this is a very competitive world and that this is one of the weapons we are using to fight it. The minister might also tell us the reason for the advance of the insurance rate under section 14 from 88 cents per $100 in 1954 to the average of this last year of about $1.35 per $100.

Mr. Hees: Mr. Chairman, in answer to the last question I am advised that the rate has gone down from 88 cents to less than 66 cents on the business done under section 14. I am advised that the hon. member for Vancouver South is referring to the business done under section 21, under which section the length of term of the transactions has been increasing. It has been necessary to allow this increase in the rate and the length of term in order to meet terms made available to their exporters by other governments. I do hope the hon. member understands what I mean. In reply to the question before that, the answer is that we have not sold any paper whatsoever. The reason why we ask for the right to adopt these new techniques of selling paper and of allowing loans to be made on paper which is bought is because this is the practice which has worked out well for the export-import bank of the United States and the export credits guarantee department of Great Britain. They have found that the techniques for which we are asking in this legislation have worked well for them. We have the same kind of operation here, and

are therefore asking parliament to give the Export Credits Insurance Corporation of Canada the right to operate in the same way.

Mr. Berger: Mr. Chairman, this afternoon the minister assured the hon. member for Danforth that the proposed subsection (2) of section 21(a) empowered the corporation to lend money to the government of a foreign country. This, of course, was something that we were most anxious to know and delighted to hear; but in view of the fact that when section 21(a) was first brought into existence a year ago it contained a definition of "importer" which said that an importer means "a person carrying on business or other activities outside Canada", can the minister assure the house that he has been advised by those responsible for giving such opinion to the corporation and to his department that a government of a foreign country is included within the definition of "importer" contained in the act when it was amended last year? That is when section 21(a) was first inserted into the act. If the minister is able to assure us that that is so, then there can be no problem; but if he cannot, then an amendment might be required.

Mr. Hees: Mr. Chairman, as I mentioned earlier in this debate the importer may be either a private firm or a department of a foreign government. Does that answer the hon. member's question?

Mr. Berger: Well, Mr. Chairman, I and the other hon. members who sit in this corner would be most happy if we could be assured that a legal opinion had been given to the minister to the effect that section 21(a)(1)(c) of the Export Credits Insurance Act in fact included the government of a foreign nation within the meaning of "importer". Our concern is that the minister might find himself, after the legislation presently before the committee has gone through, in the position where he may be advised that the corporation in fact has no legal power to make a loan to the government of a foreign nation. Because paragraph (c) of the amendment brought into the act last year says that an importer means a person carrying on business or other activities outside Canada. For some of us it may seem unlikely that a person, as those words are used in the act, is meant to include the government of a foreign country. Some of us might be led to the view that the words "a person" were designed only to cover persons outside Canada wishing to purchase exports and wishing to obtain loans from Canada. That is the difficulty that some of us feel. We are not trying to hold matters up; we just want to make sure that the government has every legal power at its command to enable it to carry out the provisions of the act.

Mr. Hees: Mr. Chairman, I appreciate very much the concern of the hon. member about this matter, and I wish to assure him that the corporation has the right to deal directly with the government, and has been doing so during the past year. If he would look at the annual report of the Export Credits Insurance Corporation, page 13 lists a number of transactions carried out under section 21(a) in various countries. All of those transactions have either been carried out directly with the government of the country concerned or guaranteed by that government.

Mr. Carter: Mr. Chairman, I should like to ask the minister two questions arising out of his reply to the question put by the hon. member for Simcoe North. If I understood the minister correctly, he said that the corporation conducted affairs in such a way as to stay in the black and not be a charge to the taxpayers. However, I also gathered that the operations were conducted so as not to make any exorbitant profit. My two questions are these. Does the corporation pay income tax and, if so, how much income tax was paid last year?

Mr. Hees: Mr. Chairman, the answer to the first question is yes, the corporation does pay income tax; and last year the corporation paid $740,427 in income tax.

Mr. Ryan: Mr. Chairman, this would seem to be good legislation if wisely and efficiently administered, and in respect to administration I should like to ask the Minister of Trade and Commerce if under this third amendment the conditions of approval of an export contract have been determined as yet. That is, the conditions of the contract and approval of the contract. If so, are they analogous to the United States export-import bank requirements of which he spoke? If they are, where can we see the catalogue?

Mr. Hees: Mr. Chairman, if the hon. member had been in the committee last night he would not have asked the question, because I answered it then.

Mr. Ryan: I was here but that was in respect of the guarantees.

Mr. Hees: The requirements for eligibility for financing which I gave last night are set out in a pamphlet entitled "Government Export Financing" and also at page 16 of the pamphlet entitled, "Export Credits Insurance Corporation, What it is and How it Operates". In the first pamphlet "Eligibility for Financing" they are set out in this way:

> **The guiding rules that determine the eligibility of transactions for financing are:**
>
> **1. that the extended credit terms are clearly necessary and justifiable;**

2. that the transaction gives promise of continuing export trade;
3. that the Canadian content is of a high order, in the range of 80 per cent or better;
4. that the transaction gives rise to significant employment and industrial benefits in Canada;
5. that the export transaction is substantial in value;
6. that the foreign buyer and the country of purchase have a satisfactory credit standing.

Mr. Ryan: In order to clear the situation up may I inquire whether these regulations apply to the third amendment similarly to the way in which he said they applied to the guarantees? Is that what I am given to understand?

Mr. Hees: Yes.

Clause 3 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

FARM CREDIT ACT

PROVISION FOR INCREASE IN LENDING CAPACITY

Hon. Alvin Hamilton (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Farm Credit Act to increase the capital of the Farm Credit Corporation from $12 million to $16 million so as to increase the lending capacity of the corporation from $300 million to $400 million and to provide further for certain changes in connection with the administration of the act.

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

Mr. Hamilton: Mr. Chairman, since the amendments that are being proposed to the Farm Credit Act require the spending of money, it is necessary to have this resolution passed by the House of Commons before I bring the bill up for first reading. Under the rules I cannot refer to the details of the amendments but I am duty bound to the committee to explain why I am asking for this greater spending of public money.

It has been over 30 years since the federal government decided to provide long term loans to farmers. At that time there was a need and I submit that the need is even greater today. As evidence I should like to put on the record first the amounts of money that have been borrowed from 1929 up to the present time by the farmers from the farm loan board and the Farm Credit Corporation. I am going to have to ask permission, Mr. Chairman, to put these tables into *Hansard.*

Some hon. Members: Agreed.

The Deputy Chairman: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The table referred to above is as follows:*]

FARM CREDIT CORPORATION

STATEMENT OF LOANS DISBURSED AND OUTSTANDING BY FISCAL YEARS TO MARCH 31, 1962

Fiscal Year	Loans disbursed		Average	Cumulative total of loans disbursed		Principal of loans outstanding End of year	
	No.	Amount	Loan	No.	Amount	No.	Amount
		$	$		$		$
1929–30	1,270	2,630,377	2,070	1,270	2,630,377	1,270	2,613,671
1930–31	2,102	3,517,489	1,670	3,372	6,147,866	3,109	6,033,805
1931–32	468	1,996,344	4,270	3,840	8,144,210	3,492	7,878,741
1932–33	655	1,276,114	1,950	4,495	9,420,324	4,394	8,927,985
1933–34	307	558,630	1,820	4,802	9,978,954	4,652	9,125,513
1934–35	352	547,207	1,550	5,154	10,526,161	4,866	9,332,329
1935–36	3,593	7,423,779	2,070	8,747	17,949,940	8,322	16,178,516
1936–37	5,385	11,074,156	2,060	14,132	29,024,096	13,588	26,506,308
1937–38	2,523	5,264,308	2,080	16,655	34,288,404	15,829	30,336,749
1938–39	2,232	4,338,843	1,940	18,887	38,627,247	17,747	33,065,470
1939–40	2,361	4,342,662	1,830	21,248	42,969,909	19,756	35,411,729
1940–41	1,425	2,727,507	1,920	22,673	45,697,416	20,782	35,947,883
1941–42	1,112	2,133,514	1,920	23,785	47,830,930	21,333	35,256,188
1942–43	642	1,320,256	2,060	24,427	49,151,186	21,020	33,120,484
1943–44	590	1,336,103	2,260	25,017	50,487,289	19,447	28,716,696
1944–45	695	1,661,410	2,390	25,712	52,148,699	16,929	24,199,388
1945–46	877	2,121,207	2,420	26,589	54,269,906	15,721	22,513,863
1946–47	1,286	3,273,811	2,520	27,875	57,543,717	15,032	22,119,005
1947–48	1,218	3,185,240	2,620	29,093	60,728,957	14,790	22,327,258
1948–49	1,751	4,595,036	2,620	30,844	65,323,993	15,006	23,890,389
1949–50	1,841	4,942,930	2,680	32,685	70,266,923	15,566	25,821,426
1950–51	1,800	4,693,079	2,600	34,485	74,960,002	16,184	27,802,774
1951–52	1,508	4,469,091	2,970	35,993	79,429,093	16,497	29,238,810
1952–53	1,514	5,118,559	3,380	37,507	84,547,652	16,667	31,005,250
1953–54	1,908	7,000,540	3,670	39,415	91,548,192	17,267	34,591,645
1954–55	2,137	8,207,003	3,840	41,552	99,755,195	18,111	39,455,931
1955–56	2,087	8,254,323	3,960	43,639	108,009,518	18,931	44,075,268
1956–57	2,826	12,183,992	4,300	46,465	121,193,510	20,372	52,730,198
1957–58	3,500	19,343,560	5,540	49,965	140,537,070	22,494	67,112,206
1958–59	4,659	28,368,265	6,080	54,624	168,905,335	25,471	89,301,022
1959–60	5,169	35,840,882	6,950	59,793	204,746,217	28,453	117,233,247
1960–61	5,162	52,305,266	10,120	64,955	257,051,483	31,054	158,447,392
1961–62	6,027	68,886,875	11,400	70,892	325,938,358	34,175	212,138,307
1962–63		80,000,000	(estimated)				

I am not going to read all the figures in this rather lengthy table. However, it is a record of the loans disbursed and outstanding by fiscal years to March 31, 1962. When hon. members see this table they will note that the loans have risen from the amount of roughly $2 million or $3 million a year in the early stages to $68 million or nearly $69 million last year and the figure will be even higher this year. I submit that this growing demand for long term loans by the farmers of Canada is evidence as to why the capacity of the board to loan money under this act has to be extended.

Second, I should like to put on *Hansard* the amount of loans under the Farm Improvement Loans Act in the past few years. This act is under the Department of Finance as hon. members know. It is carried out by the private banks under guarantee from the government. The interest rate is the same, namely 5 per cent. If I am allowed to put these figures on the record, it will give to hon. members information to show how the intermediate type of credit is being handled by the Farm Improvement Loans Act.

The Deputy Chairman: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The chart above referred to is as follows :*]

FARM IMPROVEMENT LOANS ACT

Summary of Loans Classified by Purposes

	1961		1960		Total 1945–1961	
	No.	Amount	No.	Amount	No.	Amount
		$		$		$
Purchase of agricultural implements	50,483	76,486,097	52,811	79,942,352	779,482	943,550,919
Construction, repair or alteration of or making additions to any building or structure on a farm	7,080	15,410,464	5,196	10,064,430	59,341	90,606,743
Purchase of livestock	9,547	12,675,959	7,744	9,624,919	62,416	64,054,750
Works for the improvement or development of a farm designated in the regulations	2,545	2,234,332	1,558	1,312,991	24,240	16,753,231
Irrigation system	242	466,494	152	277,889	829	1,471,781
Purchase or installation of agricultural equipment of farm electrical system and the alteration and improvement of a farm electrical system	499	664,033	404	470,996	5,539	4,192,744
Erection or construction of fencing or works for drainage on a farm	219	209,786	176	162,169	1,627	1,299,359
TOTAL	70,615	108,147,165	68,041	101,855,746	933,474	1,121,929,527

Mr. Argue: I wonder whether the minister, as he goes on, will give us the highlights of the figures that have now been placed on the table?

Mr. Hamilton: Yes, I think that would be sensible. The figures I gave in the last table show annual loans ranging from $2 million to roughly $69 million. The figures I am quoting now are figures for the last few years under the Farm Improvement Loans Act of $108 million and $101 million for the last two years respectively. The total amount of loans under this act in the 17 years of its existence is roughly $1.1 billion or an average of $66 million a year. Hon. members can therefore see the extent of the demand by farmers for medium or intermediate term loans.

Third, farmers get money from private banks for short term operational credit. The extent of this can be gauged by the figures I have here from the private banks that compare the amount outstanding from ordinary loans for agricultural purposes by the private banks and the Farm Improvement Loans Act. This table is given in the form of outstanding loans and is cumulative. The figures for the ordinary type of loans by private banks for agricultural purposes are these: 1957, $223 million; 1958, $228 million; 1959, $229 million, 1960, $241 million and 1961, $290 million. On the table you will find the comparable amounts under the Farm Improvement Loans Act which show the same ascending scale, even if the amounts in millions outstanding at any one time are not quite the same. May I have permission to put this on the record too, Mr. Chairman?

The Deputy Chairman: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

Statement of outstanding bank loans made for agricultural purposes as at December 31 each year

December 31	Ordinary Loans Millions	F.I.L.A. Millions
1957	223.7	125.4
1958	228.5	139.3
1959	229.3	160.2
1960	241.5	178.1
1961	290.7	194.3

Note: Figures are not available from banks on amounts loaned each year for agricultural production purposes.

In 1958, Mr. Chairman, the Prime Minister outlined the national agricultural program, which was an attack on the fundamental weaknesses of agriculture. One of the points in this program was the Farm Credit Act. When the Farm Credit Corporation was established in 1959 its capital was set at $8 million, which authorized it to borrow up to $200 million from the Minister of Finance. In 1961 the capital was increased to $12 million and now, just after the third anniversary of the formation of the corporation, it has been found necessary to increase the capital to $16 million, thus authorizing the Minister of Finance to advance up to $400 million to the corporation.

Canadian farmers quickly recognized that they could, individually, make tremendous improvements to their standard of living by using the credit provided by this government to reorganize their farms on a more profitable basis. I believe the need for this additional capital can best be demonstrated by referring briefly to the large and expanding volume of loans made by the Farm Credit Corporation, which I view as tangible evidence of the success of this legislation.

In a moment, Mr. Chairman, I am going to ask for permission to put a fourth table on *Hansard*. This table is a statement by provinces of farm loans approved by the Farm Credit Corporation. The reason for putting it on *Hansard* is so that members can examine this record and see in which provinces the legislation seems to be working the best and also at the same time and by the same logic see in which areas the legislation does not appear to be working as well. It must be kept in mind that each member should apply to this table the number of farmers in each province so that he can form some sort of estimate of how farmers are using the credit provided by the federal government.

A second factor that should be kept in mind by an hon. member as he studies this table, which gives figures of the loans province by province, is what type of provincial legislation is in existence and operation. For instance, in the province of Quebec there is provincial legislation under which money is lent at a much lower rate than the Farm Credit Corporation lends money. Hon. members will notice the sudden increase in loans in that province last year and this is because of the fact that the province of Quebec is now paying half the interest on federal loans. In other words, if a Quebec farmer takes out a loan from the Farm Credit Corporation, which is a federal institution, the provincial government then comes in and pays 2½ per cent of the interest on that loan up to a certain amount. This, of course, is probably the biggest reason why there was this increase last year in these loans in the province of Quebec. I should now like to put this table on the record. I do not think any particular purpose would be served by going through all the provinces. From a quick glance at the table it will be seen that the five western provinces seem to be making very wide use of this legislation.

The Deputy Chairman: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The table referred to above is as follows:*]

FARM CREDIT CORPORATION

STATEMENT BY PROVINCES OF FARM LOANS APPROVED DURING FISCAL YEARS

Province	April 1, 1957 to March 31, 1958		April 1, 1958 to March 31, 1959		April 1, 1959 to March 31, 1960		April 1, 1960 to March 31, 1961		April 1, 1961 to March 31, 1962		April 1, 1962 to Sept. 30, 1962	
	Number of loans	Amount approved	Number of loans	Amount approved	Number of loans	Amount approved	Number of loans	Amount approved	Number of loans	Amount approved	Number of loans	Amount approved
		$		$		$		$		$		$
British Columbia	113	735,350	157	1,163,800	158	1,443,900	203	3,002,800	244	4,051,500	171	2,779,700
Alberta	590	2,841,500	961	5,125,100	1,421	9,024,800	1,217	13,182,600	1,518	18,447,600	1,266	16,586,500
Saskatchewan	1,122	5,760,900	1,510	8,665,550	1,739	12,582,600	2,008	19,014,550	1,936	19,812,350	1,335	14,461,500
Manitoba	412	2,133,100	454	2,505,600	251	1,498,750	317	3,481,300	429	5,024,000	347	3,937,500
Ontario	1,084	7,980,500	1,299	10,702,350	1,384	13,164,750	1,590	19,151,700	1,383	17,104,400	956	12,567,500
Quebec	118	667,250	154	891,650	179	1,286,450	106	1,646,550	109	1,786,100	262	4,086,100
New Brunswick	67	325,150	71	303,650	39	250,350	46	362,050	111	1,109,700	63	777,400
Nova Scotia	54	290,500	49	219,450	43	260,700	20	264,500	41	499,900	40	465,700
Prince Edward Island	142	544,200	150	567,800	125	518,950	90	598,000	113	733,200	74	554,400
Newfoundland									1	6,100	1	20,000
	3,702	21,278,450	4,805	30,144,950	5,339	40,031,250	5,597	60,704,050	5,885	68,574,850	4,515	56,236,300

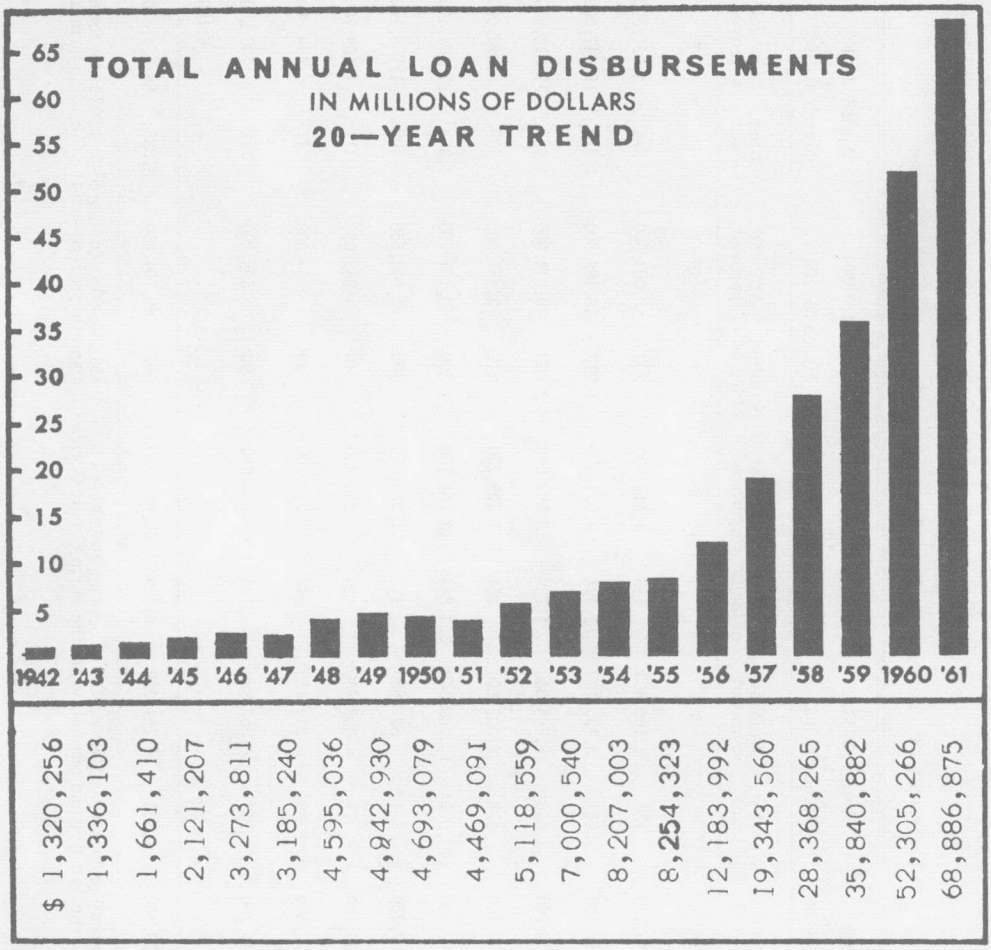
* During this fiscal year to September 30, 1962, 4,515 loans have been approved for a total of $56,236,300 as compared to 4,002 loans for a total of $46,063,400 during the same period last year. During the past five and one half years the Farm Credit Corporation and its predecessor, the Canadian farm loan board, approved 29,843 loans for a total of $276,969,850.

Finally, Mr. Chairman, most hon. members have received by this time, I believe, the report of the Farm Credit Corporation in English and in French, and on page 10 of the report there is a chart which I should like to have incorporated in *Hansard* because in a very dramatic way, along with the tables, it gives a pictorial presentation of the tremendous increase in borrowing by farmers in the last five years.

The Deputy Chairman: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The chart above referred to is as follows :*]



Mr. Hamilton: Thank you very much, Mr. Chairman, and through you, of course, the members of the committee. There has been an increase in lending each year, which can be followed from the chart, from an annual total of about $12 million in 1956 to almost $69 million in 1961. During the current year there is a further increase in loans of about 22 per cent and the volume of loans is expected to exceed $80 million by the end of the year. I would suggest that is a considerable record.

[The Deputy Chairman.]

Although I am sure no one can seriously question the success of our credit program, the government has been examining the legislation to see if the Farm Credit Corporation can play a larger role in our rapidly developing agricultural program. It will be recalled that when the Farm Credit Act was being considered in committee on June 29, 1959 it was stated, as found in *Hansard*, page 5256, that this government would be prepared to modify the credit program established under the new

act if experience showed that this was necessary for the improvement of farm family living, farm operating and farm purchase. The bill now being proposed is intended to fulfil that undertaking.

Some of the proposals which are advanced in this bill are intended to correct some minor anomalies in the act and to remove some restrictions which have been found by experience to be unnecessary. There are other proposals, however, which are more fundamental in nature. For example, an examination of the loans made in each of the areas in Canada will reveal in general a very good record but there are areas which in my opinion are not making full use of this very fine legislation. I refer to some of the eastern counties of Ontario, the provinces of Quebec and British Columbia and the Atlantic provinces. Some of these amendments are therefore intended to broaden the credit program so that farmers will have greater latitude in the use of the money they borrow.

Amendments are proposed which will permit the corporation to lend money, for example, to make improvements to any part of the land the farmer is operating including land, such as that on long term lease, which is not covered by the mortgage to the corporation. Another amendment will permit the corporation to lend money to pay the farmer's operating and living costs during the early period of his loan while he is developing his farm to a self-supporting level or during a transitional period when he is changing from one type of enterprise to another and temporarily has very little farm income.

It will interest many members to know that these amendments are planned to help the farmer to develop non-agricultural enterprises on his farm, such as camping grounds, tourist cabins or cottages and so on, if he can make more profitable use of his land resources in this way. These latter proposals obviously broaden the role of the Farm Credit Corporation in the field of agricultural adjustment. They will make it possible for the corporation to provide much greater support to our program of agricultural rehabilitation and development. This bill, together with amendments to farm credit regulations which are at present under consideration, will open the door for closer co-ordination of the Farm Credit Corporation and the ARDA administration and will mark a new milestone in our attack upon the problem of the low income of an important segment of our farming population.

Mr. Chairman, I commend this legislation to the committee.

Mr. Argue: Mr. Chairman, we have listened with interest to the remarks of the Minister of Agriculture and his discussion of the proposed amendments that will be put forward in the bill which will follow this resolution. I am pleased that this measure is before the house at this time because it gives all members an opportunity to put before the government their own views, the views of the party to which they belong, and the views of the people in the country as those views have been brought to their attention.

Credit is important to the agriculture industry of this country, and it is of increasing importance. The fact that we are considering at this time a further amendment to the present legislation is an indication that this is so. The farmers need some new methods, some new policies, to increase their income. They need these policies today even more than they needed them a few years ago. In spite of all the flowery language that is used by the Minister of Agriculture—

An hon. Member: He did not use any.

Mr. Argue: —in talking about ARDA and about the Prime Minister's announced program in 1958, the fact is that under this administration the relative position of the farmers of this country has steadily gone down. The net income position of the farmer has steadily worsened. I have in my hand a statement taken from the brief presented by the Canadian Federation of Agriculture to the royal commission on banking just a few days ago. It says this, in part, on page 8:

> —the farmer's position has declined, both absolutely and relatively, since let us say 1949 ... aggregate net farm income today is running at lower levels than those of 6, 12 or 15 years ago.

An hon. Member: What is your authority?

Mr. Argue: An hon. member says, what is the authority? I give him as my authority the dominion bureau of statistics. I give him as my authority the net income set out by the dominion bureau of statistics for 1961 for farmers as $1,033,675,000, which is the lowest net income of any year since 1954. If you take out the income for the year 1954, it is the lowest net income of the farmers since 1945. There is not, therefore, too much for the government to brag about in so far as the net income position of the farmers is concerned. It has steadily worsened under this administration.

An hon. Member: You ask the farmers.

Mr. Argue: The farmers of this country need additional credit. The history of farming is that most farmers, when they are young men, buy a farm and go heavily into debt. It takes most of a working lifetime to retire that debt. As the minister has said, and said correctly tonight, part of the reason that the farmer can, at times, increase his income is

the availability of credit, and that credit is needed. The total investment in the agriculture industry of our country is some $11 billion. The total outstanding credit, bank credit, credit from the Farm Credit Corporation, credit from credit unions, obtained by the agriculture industry is just over $880 million. This means that the farmers have only some 8 per cent of their assets in outstanding indebtedness. In other words, the agriculture industry is in a position to bear the burden of increased credit in order to improve the efficiency of its operation.

Let no one think that the farmer is not a good risk. I do not say anybody in this chamber thinks the farmer is not a good risk.

An hon. Member: That is good.

Mr. Argue: But the record of farmer payments under the Farm Credit Corporation, shows that the agriculture producers of this country are amongst Canada's very best businessmen.

Mr. Bigg: They are now.

Mr. Argue: I do not know why, Mr. Chairman, I should be heckled when I am saying some very factual things, some very complimentary things about the farmers of this country.

Some hon. Members: Order.

Mr. Caron: Laugh at the farmers.

Mr. Robichaud: That's right, laugh.

The Deputy Chairman: Order; I would be interested in hearing the hon. member for Assiniboia. Please give me a chance.

Mr. Argue: I thank you, Mr. Chairman, for your very kind remark. I had the good fortune for a few years to have an office very close to yours in this building. I found you a very congenial member, a very fair member, and I congratulate you on receiving this appointment by this house.

If I may go on, Mr. Chairman—

Some hon. Members: Order.

Mr. Argue: The record of the Farm Improvement Loans Act carried on by the chartered banks of this country under guarantee from the federal government shows that losses were almost negligible. The record of loss over the years has been about one tenth of one per cent. If you go back to some of the early loans under this legislation, back to the early forties, the repayment record is in excess of 99.99 per cent. I point out to the minister, and to hon. members opposite, that the loans granted through the chartered banking system are, generally speaking, smaller than those granted by the Farm Credit Corporation. They are more widely dispersed. They are loans to people who, some hon. members might think, are high risks. Yet, the repayment record is 99.99 per cent. I suggest to the government and to the minister, therefore, as well as to the officials who administer this act, that they should be thinking a great deal more of promoting and providing loans for smaller farmers, for low income farmers, for farmers who need loans to the greatest extent. The farmer will repay his loan because the record of repayment is there.

There are some losses under the act, it is true. However, these losses have been almost negligible. What is the record of this corporation? Well, Mr. Chairman, the record of this corporation, the record of the Canadian farm loan board, its predecessor, generally speaking is a good record. As far as they have gone, the loans that have been made have been put to good use and the repayments have been good.

The minister said there are going to be amendments to the act and he outlined a few of them. We are going to be interested to see those amendments. The minister went on to tell us something of the record of loans in the various provinces of this country. He said, and I do not argue with this, that in the four western provinces, relative to the other provinces there has been a great deal of activity by the Farm Credit Corporation; somewhat less activity in Ontario, but more activity than in some other provinces. Hon. members from Ontario will be putting forth in this debate some of the things they are asking for. The record of the number of loans in the province of Quebec is exceedingly low, it is exceedingly low for all the years under the Farm Credit Corporation legislation.

Mr. Chatterton: How about this year?

Mr. Argue: It is even very low for the year that has just ended, being 109 loans, according to the annual report.

Mr. Chatterton: How about 1962?

Mr. Argue: The figures are, 118 in 1957-58; 154 in 1958-59; 179 in 1959-60; 106 in 1960-61 and 109 in 1961-62.

Mr. Chatterton: How about 1962?

Mr. Argue: There were 109 in the province of Quebec, 1,383 in the province of Ontario, 1,936 in Saskatchewan, 1,518 in Alberta and 244 in British Columbia.

Mr. Chatterton: Mr. Chairman, would the hon. member permit a question?

Mr. Argue: There is a great field for increased activity in the province of Quebec—

Mr. Chatterton: Would the hon. member permit a question?

Mr. Argue: —and hon. members from that province will be pointing out to the minister what should be done.

Mr. Chatterton: Would the hon. member permit a question? Quoting the statistics on the number of loans in Quebec, he stopped at the end of 1961. Would the hon. member quote the number of loans in Quebec in 1962?

Mr. Argue: The loans for 1961-62, up to March 31, 1962, were 109.

Mr. Chatterton: Subsequent to that?

Mr. Argue: Well, we are just in that year. If my hon. friend is a crystal gazer—

Mr. Chatterton: It is 300.

Mr. Argue: —he can gaze in his crystal or he can ask the Minister of Agriculture. But I have the latest figures given to me. If the minister has received ones that are a kind of a day-to-day run down on what the loans are, we shall be glad to hear them.

Mr. Chatterton: Why don't you keep up to date?

An hon. Member: Ask Caouette; he'll tell you.

Mr. Argue: In the province of New Brunswick the record is poor, 111 loans last year; in Nova Scotia the record is even worse, 41 loans; Prince Edward Island, a smaller province, a bit better, 113 loans. The record in Newfoundland is there, but it is not too good; one loan in that province in 1961.

Mr. Bell (Saint John-Albert): That was Joey.

Mr. Argue: Was the minister not correct when he said there could be more activity in the eastern provinces and the Atlantic provinces? This legislation has been a relative failure in the Atlantic provinces. This is a place where the minister should be doing a lot more and the legislation should be used a great deal more; it should be promoted by the administration in the years ahead.

Mr. Chairman, the minister gave us some basis for comparison. In making his presentation to the house the minister referred to the Farm Improvement Loans Act. He also referred to the chartered banks. He said that in two years—I believe this was the figure—the amount was $108 million in one year and $101 million in total loans the next year. What were the total loans? The total loans under the Farm Credit Corporation for the year just ended amounted to 5,885. Under the Farm Improvement Loans Act the total number of loans amounted to 68,041. The chartered banks, through their system of loans, have made more than ten times as many loans as have been made by the Farm Credit Corporation. Therefore the record of the corporation is one of improvement, one of an increased number of loans, but it is slow; there are not as many as there should be; it is not going fast enough. Therefore I would suggest there is room here for a great expansion.

Mr. Chairman, I said there should be greater encouragement, greater emphasis on loans being made to the smaller farmers, to the low income farmers. In 1957-58 there were 3,702 loans made, in total; in 1961-62 the total number of loans was up to 5,885, an increase of some 57 per cent. In size of loan this had more than doubled. In other words, as the time has gone on there has been an increasing emphasis on larger loans and, within that context, lesser emphasis on the smaller loans. I am not complaining that these larger loans were made. There may be even a place for still larger loans for certain individuals, perhaps larger loans than are provided for by the ceiling of this legislation. But even if those who requested larger loans received them and needed them and put them to good use, in my judgment there is no reason for such a small proportion of the business of the corporation being in the field of the smaller loan to the smaller farmer.

Why has this come about? The minister brags about increased activity. When this legislation was before the house at an earlier period, this government said it was going to do something for the small farmer. They have been crying in this house for years on behalf of the small farmer. What have they done? The farm loans board had an assessment fee, an appraisal fee of $10. That was the barrier or the deterrent between a farmer wanting to apply for a loan and having his farm, or prospective farm, appraised—a $10 fee. But it was this government who, to help the small farmer, increased the $10 fee to $50, and there is now a $50 barrier to a small farmer getting a loan, because the appraisal fee has been increased to $50. If a farmer comes in and says "I would like a loan", they say, "well, it will cost you $50 to have your farm appraised. If it does not go through, you will lose your $50." They tell him in advance, very likely—and this has happened, I am sure, in thousands of cases —"Well, there is probably no use your applying for a loan. You cannot get a loan any way". They point to statistics to show that in connection with those who applied for a loan, who put down the $50, the record is not bad. But what of the hundreds, yes thousands of farmers, who were told, "Don't you even try, because there is no point in your trying. You will not get a loan even if you do try".

According to the report we have received 14,517 people who have gone into Farm

Credit Corporation offices have been so serious in discussing a possible loan that personnel of the Farm Credit Corporation took a statement from them. It was a detailed statement, a comprehensive statement; they were asked a lot of questions. How many of those farmers who applied or who went in and talked about a loan and made a statement actually obtained a loan? Of 14,517 interviews during which a record was made —not just a casual interview but an actual discussion with a record kept—only 5,885 were granted loans.

Mr. Pugh: Over what period of time?

Mr. Argue: In this past year; the record in one year.

Mr. Pugh: One year?

Mr. Argue: One year. In one year 55 per cent were rejected; 55 per cent did not get anything. I suggest to hon. members opposite —and I know what a number of them want because I have been talking to them personally; they are interested in seeing this program expanded—that a 55 per cent rejection is too high, there is something wrong, and whatever is wrong should be corrected. I do not think it is too hard to find out what is wrong. The mistake was made when this legislation was brought in by the present government in 1959. It is a mistake which has been continued, and it is a mistake which has been set forth in black and white. Let no one misunderstand it. I have in my hand a document called "Farm Credit Corporation Lending Policy for 1961". On page 1, this is what it says in part:

> While not explicitly stated, this thinking is implied in the legislation and in the regulations made under it, and was very well expressed by the Minister of Agriculture when he defined the object of the legislation as follows:

This is the object—this is in quotation marks:

> "To assist Canadian farmers in the voluntary reorganization of their industry into economic family farm units, each of which will be of sufficient size to produce, under the operation of the owner, the farm income necessary to meet all operating and maintenance costs, provide an adequate livelihood for the owner-operator and his dependents, and retire any required credit, with interest, within an appropriate term."

Here is what they say to the farmer: When you receive this loan, will you be in possession of an economic family farm unit of a sufficient size to produce an income for the family, to provide an adequate livelihood and to retire your debt with interest? This means that if a small farmer comes in and asks for a small loan the people administering this legislation say: will this small loan which the farmer is requesting, together with the property he now has, make his farm into an economic unit so that he can have a good standard of living and retire his debts? Often they say: no, it is not enough—which is probably true—and instead of providing this small farmer with a relatively small loan to improve his position they say: until you get a bigger farm so that you can take a bigger loan we shall not give you anything at all. That is the policy. That is the basis upon which the whole thing is done. So a farmer in the Gatineau valley asks for a loan, and they say: "Well, you did not make much money last year and you do not have much property. You only want a small loan. We shall not give you one; you are a poor risk". That is the attitude. That must be the reason. I do not know any other. Yet the record of repayment shows that the small farmer as well as the large farmer has an excellent credit record, and the corporation has lost practically no money in the period of its operations.

The annual report was given to us a little while ago, and what did it say about losses? Well, the farmers did not pay some money, so they had to write off loans of—how much?—of $12,496 in one year, with well over $200 million outstanding. Still, there was a loss of $978,915. Why? Because this government has brought interest rates so high that the corporation cannot operate without losses on the basis of a 5 per cent interest charge. The farmers have been a good risk. The farmers have paid their debts. But the government, through its failures, is responsible for the high interest rates in the country. I do not hold the Minister of Agriculture individually responsible for this; he does not always agree with his colleagues in many important ways. However, the losses have occurred not because the farmers were poor risks but because this government was a poor risk.

I have outlined what they say to a farmer when he comes in for a loan, and I have done so on the basis of the minister's own statement. If that needs underlining—and I really do not see why it should—all one needs to do is to quote from the farm credit regulations themselves. This is what they say:

> 12(1). No loan shall be made on the security of farm land that is not part of a farm unit of sufficient size to produce, under the operation of the applicant, crops and fodder which, whether fed to livestock with or without normal purchased feed supplements—

It does not matter if he purchases a lot of western feed grain; that is not taken into account.

> —marketed directly or both, will produce revenue sufficient to

(i) pay the cost of operating and maintenance of the farm unit,

(ii) provide a livelihood for the applicant—

Then, when a farmer comes in and has a talk with them, before they take his $50, they have a report made out and there is a question asked there of the officer of the corporation: "Does it appear the enterprise will qualify under regulation 12(1)?" That is the regulation I have just quoted. Thus, by arbitrary action, as stated by the minister and by the regulations themselves, a large proportion of the agricultural producers of this country are barred from deriving any benefit whatsoever under this legislation, and the proportion barred is relatively higher in the eastern provinces.

What kind of regulations should there be? I will suggest some changes in this regard to the minister, if I may. I would suggest that instead of the statement which the hon. gentleman himself has used it should read something like this: "This money shall be such as to aid farmers in the voluntary reorganization of their industry into more economic family farm units, each of which, under the operation of the owner, will meet all operation and maintenance costs, retire any credit with interest within an appropriate term and, with the credit obtained from the corporation, provide a more adequate livelihood for the owner operator and his dependents. In other words, will the loan improve the farmer's position—not whether it will make up an economic unit. This is the basis upon which we suggest, from this side, the whole act should be operated. The test should be: will it help an individual applicant to improve his position, not whether it would give him an economic unit. I say this because how can a small farmer ever get an economic unit if he is not to be allowed the credit in stages which would help him to improve his business?

I would like to suggest, now, on behalf of the official opposition that this legislation should be referred to the standing committee on agriculture and colonization. The minister brags about this legislation. That is fine. Let us have the committee meet; let us have the officials from the department come before the committee. Let us hear evidence from the minister. Let the officials deal with some of the statements which have been made this afternoon and let us see how, together, we as members of parliament on this committee can make suggestions to improve the operation of this act. We should like to have the agricultural committee meet to consider certain suggestions and proposals. These would be designed to increase the number of loans in all parts of Canada with particular emphasis on increasing the number of loans in those areas where they are in relatively small numbers at the present time. We should also consider what further action is required both by regulation and by administrative decision to make more loans available to low income farmers.

We would suggest that there should be amendments to the legislation and to the regulations to make it possible to lend money on a poultry operation as well as a livestock operation. We would suggest to the minister that the definition of "livestock" should be extended to include not only cattle, sheep and hogs but also horses. I do not see any reason why a farmer who raises horses for the ranching country and for use in the farming industry should be barred from getting credit for this part of his operations. In other words, the scope of the act should be extended to provide a broader definition of the word "livestock" and also to include poultry enterprises within the farming operation. We would ask that consideration be given either to the complete removal of the $50 deterrent or to a very substantial reduction in this deterrent. A $50 bar is a substantial one which should not stand in the way of small income earners who are obtaining a loan. We would also suggest that under this legislation consideration should be given to providing loans for farm housing on the security of the house, and a very small amount of property immediately surrounding the house, and that the farmer should not be required to tie up his whole operation in order to get decent living quarters for his family or his hirelings.

The Chairman: Order. I am sorry to interrupt the hon. member but his time has expired.

Mr. Hamilton: Mr. Chairman, I should like to ask a question of the hon. member, but before doing so I would request the committee to allow him to finish.

The Chairman: I am sorry to interject again, but the hon. member's time having expired I require unanimous consent on the part of the committee. Is it agreed?

Some hon. Members: Agreed.

Mr. Argue: Mr. Chairman, I have just a few more suggestions to make. The minister said in his statement that consideration should be given to working this legislation in with the ARDA program. It might have been the case that certain amendments would be necessary to provide moneys to producers on a group basis who wished to take part in any ARDA program. I would have put much greater emphasis on this a few days ago, but after the announcement of the minister that

the ARDA program is going to be composed of a number of pilot projects and research over a three year period, the need for this kind of proposal may not be as great as I had anticipated. Another suggestion we would make is that consideration be given under this legislation, or by some other action if it seemed more appropriate, to provide emergency or disaster loans to agricultural producers who suffered tremendous losses because of storms, floods, or other acts of God. There was a tremendous storm on the coast of British Columbia recently, and this merely suggests that this kind of proposal has great merit. It is not crop insurance. It does not go that far; it is a moderate suggestion. It is asking for just this, that farmers who suffer tremendous losses and who lose a large part of their assets because of an act of nature should be eligible for an emergency or disaster loan without interest for a period of time until they have had some time to rehabilitate their business. We further suggest that under this act there should be further emphasis on research and an expansion of the work of this corporation.

Lastly, Mr. Chairman, we would suggest that the amount involved at this time, even under the minister's own terms, does not seem to be a sufficient amount of money except for a brief period of time. This measure means an increase in available funds of $100 million. The minister said that he hopes this year that there may be loans totalling $80 million, and it would seem to me to be a great encouragement to the Farm Credit Corporation if we were to provide sufficient funds for a two year or a three year operation so that their funds would not be of an order which would last probably for only 16 or 18 months. Mr. Chairman, no matter where hon. members sit in this house, no matter to which party hon. members may belong, I believe the members who represent agricultural communities are interested in this legislation and would like to see improvements made. We suggest to the Minister of Agriculture and to this committee that this legislation should be referred to the committee on agriculture, where the important proposals that we have put forward may be considered, and we express the hope that these recommendations will be brought back from the committee and put in legislative form.

Mr. Hamilton: Mr. Chairman, one of the reasons why I was going to ask the committee for unanimous permission to extend the time of the hon. member for Assiniboia was to give me the right to ask this question. I wonder if the hon. member would confirm for me what I understood from his statement, namely that he is now the official spokesman for agriculture of the official opposition?

Mr. Argue: Mr. Chairman, I do not know why the Minister of Agriculture should wish to give me all this prominence and publicity by asking that question; I do not know what it does for him, I am sure. All I can say to the Minister of Agriculture is that I have put forward on behalf of the Liberal party some suggestions that he would be very wise to consider in the interests of this country.

Mr. Thompson: Mr. Chairman, I think that the hon. member for Assiniboia should be congratulated for covering the complete scope of the Farm Credit Corporation. In fact, from the familiar way he speaks about it, I have almost come to the conclusion that he himself must be one of the 55 per cent who have tried to get a loan.

Mr. Argue: I think I should rise on a point of order. The hon. member well knows that members of parliament are not entitled to loans, and I am sure none of us has ever tried to get one.

Mr. Thompson: That does not bar one from trying.

Mr. Argue: Well, I have never tried; I have never even inquired.

Mr. Thompson: Nevertheless, the suggestion that this legislation should go before the agricultural committee is a good one, I think, as far as discussion is concerned, but I hardly see the need for that after having listened to this very eloquent discourse; and with all the propositions which have been put up, we should be able to get on with the legislation very quickly and probably manage to get through with it in less time than the one we have just been dealing with.

I speak only generally tonight, because I think it would be fairer to the minister to hear some of the suggestions and the amendments which he has said are coming before we go into too much pre-judging or discussion, which will arise as we proceed with this matter. But in principle we agree with this legislation. I think any of us who are familiar with the workings of the Farm Credit Corporation believe that the corporation does good work. That does not necessarily mean that it is the ultimate as far as what can be done, but nevertheless, in principle we support this measure. Again, in this regard there is one thought which comes to mind which concerns the finance which is behind this type of corporation. If our financial system were rearranged so as to be more in tune with the times and the conditions of which we are a part, then I believe the capital for this type of credit, rather than

coming from tax capital, ought to be available from private investment capital because it is productive capital.

However, at this point it is not necessary to discuss this matter in detail. In the present situation the Farm Credit Act performs a very useful function. In the practical application of the act there is one weakness with which I am personally familiar and it is concerned with the determining of what is an economic farm unit. In this regard I agree entirely with the remarks made by the hon. member for Assiniboia as to the need of making this credit available to the smaller farmer.

I believe that the basic outworking of the act, whether or not that is the intention, has been to assist the farmer to become an economic unit and the basis of this has been to enlarge the farms. There are many ways in which a farm can be made an economic unit other than by just expanding the area. I believe that in this regard particularly careful consideration should be given. I am thinking of other matters such as land levelling, the construction of storage facilities on the farm, root cellars and other types of storage; land clearing, drainage from low lying areas; and also the necessary improvements so far as productive capacity on a farm is concerned.

I say this principally because we are very much concerned about what is happening to the family farm unit. Year by year the number of farm units gets smaller and smaller. In this regard it is a very interesting sidelight to observe that we are gradually approaching the stage of industrial farming, whereas those countries in the world which have tried collective farming on a large scale, which is actually industrial farming, are coming back again to the smaller farm unit.

I think we must understand the place the family farm unit has in the hard core life which we know in Canada. I think that everything we deal with in this House of Commons as it relates to agriculture should be considered with the thought in mind that we must assist and protect the family farm unit as it attempts to survive, rather than to eliminate more and more of them and thus increase the size of that farm unit. I am acquainted with farmers who have been required to buy additional land in order to qualify as an economic unit when actually perhaps that had not been their basic need, and when the money could just as profitably have been applied to improving the land they already held.

The increase in the number of credits granted under the Farm Credit Corporation is commendable. As we listen to some of the suggestions the minister has for us, I hope they will be aimed at reaching those areas, particularly here in the eastern part of the country, where the participation on the part of the farmer has not been as widespread as it is in the west. Again I think the factor to which I have just been referring is very important, namely the recognition of the potential of improving the smaller farm units. We shall not talk more in that regard now. Another point which I think the hon. member for Assiniboia has already made concerns the assessment fee which is required and which is now $50. If this legislation is getting at a root problem in agriculture, surely the department and the minister should be considering the need of eliminating this fee altogether in order to encourage as many farmers as possible to take part in the Farm Credit Corporation.

I agree that the need for this legislation is more urgent now than it has been in any of the years past. Again, the decrease in the aggregate farm income which is running at a lower level today than it has run for a number of years, is a satisfactory indicator that there is a real basic need for this type of legislation.

On behalf of those in this corner of the house, I wish to assure the minister and the house that we are dealing with a positive piece of legislation and there is a certain amount of urgency. Again I say that, in so far as the over-all financial picture in the country is concerned, we should get on with it as quickly as possible.

Mr. Herridge: Mr. Chairman, I listened with interest to the minister's statement and as a result I am sure we all anticipate the bill and the revelations it will bring with respect to the proposed administrative changes.

I listened with interest to the hon. member for Assiniboia. While I agree with a great deal that he had to say, I am a bit under the impression that he is suffering from dyspepsia this evening. He referred to the minister's speech as flowery. I think that was really an exaggeration. Anyone who can call a succession of short statements linked together with statistics a flowery speech has rather an unusual understanding of the English language. I have a great respect for the minister, and I know of his wholehearted concern with this problem. However, he tread so softly across the grass of agricultural policy that I am almost reminded of Gray's "Elegy in a Country Churchyard".

The members of this group give their wholehearted support to this resolution. We recognize the value of the family unit in the maintenance of a democratic, diversified and sane society in Canada. I speak this evening as a countryman who has lived practically all his life in the country, and enjoyed it. I

would not live anywhere else if I could possibly help it. We recognize the need for this type of legislation in order to promote the development and improvement of the economic family farm unit. In recent years in some quarters we have heard a great deal, in some cases from agricultural economists, to the effect that the family farm is disappearing, that it is inefficient, that the countryside will soon be farmed by large corporate institutions and that the village hall, the village church and the village school will disappear. We in this group wholeheartedly disagree with that conception.

Mr. Kindt: Will the hon. member name the economists who have said that?

Mr. Herridge: No, I cannot remember the names of those economists. However, I remember reading several books which indicated that in the future farming would be undertaken in large units. I am sure the hon. gentleman has read some of that literature. I hope the hon. gentleman does not think I was referring to him just because I happened to look in that direction. He is guilty of many things in this house but I would never accuse him of that sort of thing. I am sure his heart is in the country.

An hon. Member: What about the hon. member for Davenport?

Mr. Herridge: I understand the hon. member for Davenport is a sheep farmer. I am not quite sure what the title means but I presume they are four legged sheep. There has been a great deal of discussion along those lines. We in this group believe that Canada is still an agricultural country and that there are great possibilities for the development of various types of farming in rural Canada. Just because of this growing opinion, that the larger the farm the more efficient it is and the lower the cost of production. I want to deal briefly with some comments made by the national farmers' union in their submission to the government of Canada on January 31, 1962. On page 2 I find a paragraph headed "Family Farm *v.* Collective Farming" which reads as follows:

> As we have stated to you on previous occasions, for us in the farm unions the preservation of the family farm must be the prime object of any national farm policy worthy of the name.

We say amen to that.

> In our presentation to you on February 15, 1961, we said: "Such a policy must be directed primarily to the interest and the welfare of the men and women and their families who now make their livelihood on Canada's farms either as owners or tenants. We reject the widely propagated thesis that technology and efficiency demand the removal of the majority of farm families from the land. We do not subscribe to the theory that the activities and institutions of men are determined solely by technology and economics regardless of human and social values, but hold that technological developments can and must be adjusted to serve the human, social and economic needs of men. We believe that the family farm is the most efficient unit in terms not only of production but also in terms of soil conservation and human and social values. We, therefore, believe that the preservation of the family farm is of importance to farm families as well as the nation as a whole.
>
> The maxim that bigness automatically brings about greater efficiency, and that bigness makes the removal of many more farm families from the land necessary, is widely propagated.

The truth of this argument has been demonstrated in numerous places—in the Soviet union, in Yugoslavia and in other countries where they have attempted large scale state farming and where now there is the beginning of a change in policy. It has also been proven in our own country, and I refer to a letter I read in the *Family Herald* of October 11, 1962, from which I quote a paragraph. The letter is from Ste. Elizabeth, Quebec, and is headed "The Big Ones Also Get Hurt". It reads as follows:

> Small farm owners may find some consolation in the fact that despite the big corporate farm's invincible appearance it also errs and is as prone to financial injury. Marcel Beaumier, manager of a 2,400-acre pushbutton feedlot near here says as much: "With hundreds of thousands of dollars backing us, we're basically up against the same problems as small farms. And we're just as vulnerable to mismanagement, market changes, and the weather."
>
> With a basic investment of $700,000, which includes sixteen 200-ton airtight silos and four feeding paddocks easily able to house 1,500 steers at a time, company officials nevertheless this spring reported the farm had not shown a profit since it was started in 1958.

I have dealt briefly with these illustrations to try to dispel the growing conception among many people in cities who do not understand rural conditions that bigness brings efficiency and necessarily lowers the cost of production. This type of legislation is good legislation, Mr. Chairman. It has been urged by members of this group for years. I made my first speech in 1946 in this house on the necessity for this type of legislation and other members throughout the years have repeatedly urged the necessity for such legislation. Farm organizations, including the Canadian Federation of Agriculture, the farmers' union and the fruit growers organization, came to Ottawa year after year and made representations urging the government to change the type of legislation from the Canadian Farm Loan Act, which had a very limited scope and under which that board operated like a private lending company, to the present type of legislation.

Its success in principle to date is proof and evidence of the soundness of the views expressed by the representatives of the farmers to various cabinets in years past and to members of the agricultural committee. Their

opinions were based on experience throughout the years. Let me say, Mr. Chairman, that while I have great respect for the highly trained persons in various fields and while specialists are necessary to advise on this and that, as a result of my lengthy experience among farm folk and in the country I place a great deal of value on the common sense of the ordinary Canadian farmer when it comes to economics.

We are fortunate to have had the experience and devotion of a very capable director in the person of Brigadier Tom Rutherford, supported by an efficient and loyal staff.

An hon. Member: Why?

Mr. Herridge: Because Brigadier Rutherford is a farmer at heart. He has had experience. He knows what raising cattle is, he knows what tilling the land is and when it comes to farm questions there is nothing like experience to enable one to speak with some common sense and with some authority. His services in his work as director of the Farm Credit Corporation have been recognized by farmers organizations, by many farmers with whom I have had the opportunity to discuss the matter and by farm papers across Canada, and I think we should pay a tribute to the services of a very capable civil servant who served his country well. Although he is now retired as director, his services are still available in an advisory capacity. I want to say that he has been succeeded by a gentleman who is equally interested in this question and is carrying on in his spirit, with his purpose and in his footsteps.

We talk about the decline of agriculture and the declining rural population, and we are talking like that when the need for farm products is growing daily with the increase in population in the world and not only with respect to our home market but with respect to the large populations of the world who need our agricultural production. To support my argument I want to quote briefly from page 17 of the report of the resources for tomorrow conference held in Montreal from October 23 to 28, 1961. There is a lot of good material in these reports. The thesis to which I wish to refer is headed "Demand Outlook for Canadian Agriculture" and reads in part as follows:

> In Canada, over the next 20 years, we foresee a doubling of meat consumption and a 70 per cent increase in the total physical volume of foods consumed. At the same time we foresee an 80 per cent increase in the world demand for food, primarily for staple cereals. Therefore, while Canadian wheat exports may face some difficulty in the next five to ten years, the long term outlook is more hopeful. Since growth in domestic demand will shift Canadian agriculture strongly toward a livestock economy, there should be no great problem apart from short run variations in finding export outlets for the limited supplies of coarse grains which are surplus to domestic requirements. Agriculture can therefore expect, in the longer run, to enjoy the almost forgotten privileges of an expanding industry.

There is no question that that statement is a sound analysis of the opportunities for marketing in the years ahead. I have a few suggestions to make on behalf of this group with respect to this legislation. First of all, let me say that while the legislation is sound I would say it is not quite all we think it should be from the point of view of making progress in agriculture and I want to make a few suggestions as to the necessary things that should be added. We believe that a constructive over-all agricultural policy must be devised as a result of co-operation between the federal and provincial governments. There can be more of that done at these dominion-provincial agricultural conferences. We believe in a policy that provides for the promotion of farming as a way of life for increasing numbers, not decreasing numbers, and for the development of the economic family farm, which we have dealt with on numerous occasions. An economic family farm varies according to geography, the type of soil the farmer is cultivating, the crop he is growing and the circumstances under which he is farming. It is a variable; it changes all the way from the large grain farms of the prairies to the five acres of cherries or peaches that are grown by the fruit farmers in my district and from which they receive a gross income of about $6,000. This can be established very easily indeed.

Then, I believe there is another place where this legislation can be improved in its administration; possibly the regulations require amendment. There was something in what the hon. member for Assiniboia had to say in respect of the smaller farms. I would say there is an opportunity for the development of what I call the modest maintenance farm for those who find satisfaction and happiness living under rural circumstances. We are so inclined to think everybody wants to make money. I have hundreds of farmers of this type in my constituency whose material standard of living is lower than the average of many, but whose real standard of living is quite high because of the circumstances under which they live.

Mr. Kindt: May I ask the hon. member if the Freedomites live in his constituency?

Mr. Herridge: The hon. gentleman has not been reading the newspapers recently. I am glad to report that they are now living in the constituency of the hon. member for Fraser Valley.

I say there are a good many of these people who live on small farms, who produce many of their own requirements, and have sufficient

to buy the things they need. They are quite happy living modestly. In many cases they have nice homes, lawns, gardens, good libraries and things of that sort. This type of modest maintenance farm should receive some consideration in this type of legislation. As I say, I have hundreds of people of this type in my constituency who farm in this way, and who are not concerned with money. They simply want to enjoy the country in which they live. I want to say that I represent the garden of Eden in more than one sense. It is geographically beautiful; and then we have other features that were found in the garden of Eden in the early days. I do suggest that consideration should be given to what I call the modest maintenance farm, the people who enjoy this type of life and who are really happy.

Mr. Thompson: Come over and join us.

Mr. Herridge: I can see that I am making converts wholesale amongst the Social Credit members. It is wonderful to see how they change once they come here.

Then, there is another type of farm that should receive some consideration and that is the part time farm related to industry, such as the tree farm. This type of farming is growing. The industrial worker can come home, and because of the equipment that is available today he can raise 3,000 chickens or farm four or five acres of orchard. I think this part time farming should be encouraged and the legislation should give some consideration to this type of farming. The more Canadians you keep close to the soil, the safer Canada will be.

Then, there should be a program to provide research into the social and economic problems of agriculture. I should like to quote from a statement to the federal-provincial agricultural conference by the Canadian Federation of Agriculture on this question. I quote:

> The Canadian Federation of Agriculture is increasingly convinced of the urgent need for increased and more effective independent research into the economic and social problems of agriculture. It fully supports the findings of the Winnipeg national conference on farm policy research, and in particular the view that there is a great need for research into the effects and implications of agricultural policies, and into the probable effects and implications of policy alternatives which are open to us.

I think there could be considerable research in that direction. So far as production is concerned, we are getting along fairly well. So far as marketing is concerned, I think a good job has been done. However, I feel we need more research into the economic and social problems of various types of agriculture, and how federal and provincial governments can be of assistance in meeting these problems.

I believe also we have to have an agriculture policy that provides for a complete revision of the tax policies at provincial and municipal levels. I know that is not within the compass of the federal government. I believe this is something that can be worked out at dominion-provincial conferences on agriculture. This is a very serious problem to the farmers all across Canada, the question of provincial and municipal taxes. I think there is a great deal that can be done to assist the development of the farm and the extension of rural life by a change in our agricultural taxation policy.

I think there is need for a policy to provide for further studies into all aspects of financing the family farm, the modest maintenance farm and the part time farmers, as I would call them. In that connection, I want to quote again from this conservation bible of mine, the report of the resources for tomorrow conference. This is a brief paragraph which is found on page 114. It is headed "Financing the farm firm" and states:

> It is very difficult to obtain a comprehensive picture of the problems associated with the current capital and credit position of Canadian farmers. A greater quantity of credit is now available to farmers as a result of recent federal and provincial credit legislation. For the present it would appear that the available credit is reasonably adequate for the development of efficient family farm units in Canada. However, several problems need to be anticipated from the standpoint of financing the farm firm of the future. Consideration needs to be given to the following areas:
>
> (a) Beginning farmers: Studies need to be carried out to discover how the present credit legislation applies to the beginning farmer. Considerable research needs to be devoted to the area of supervised credit, and how far the public credit agencies should go in substituting supervision for equity collateral for the beginning farmer.
>
> (b) Use of credit consistent with the required adjustments of the agriculture industry. For example, studies might be initiated to examine the problems associated with the attempt by the lending agencies to lay a more positive role in the use of credit in agriculture.
>
> (c) Study needs to be devoted to the possibilities of tenancy as a method of obtaining much needed sources of long term capital in agriculture.
>
> (d) Steps need to be taken to see that more liberal credit policies are not capitalized into higher land values.
>
> (e) A comprehensive study is needed to examine the problems associated with, and the continued feasibility of, the farm operator accumulating the full value of the farm assets once every generation.
>
> (f) Study needs to be given to the problems and possibilities of adopting the share capital method of financing the agricultural industry consistent with the ideal of the family farm.

Mr. Kindt: Is that national planning or local planning?

Mr. Herridge: Our policy is one of planning which permits co-operation between federal

and provincial governments, farmers and farm organizations. You note, Mr. Chairman, although we suffer temporarily from the disability of a Progressive Conservative government, we have much to be grateful for in this country. I think we have always got to remember this: There are many things that should be done for a great number of Canadians, but we should be grateful that we are Canadians, live in Canada and have opportunities.

I am going to tell you a story before I conclude. When I was in Britain—

Some hon. Members: Ten o'clock.

Mr. Herridge: I shall finish in three minutes. When I was in Britain I met an old lady, 75 years of age and I talked with her. I told her that I admired her. She said, "Mr. Herridge, I was born in this street and I am dying in this street, and no blooming Hitler will ever blow me out." She went on to tell about the hardships of her life, her modest income, and so on. She was an old age pensioner or something of that sort. She said, "We have always got something to be grateful for. I have had a hard time in my life, but I have a lot to be grateful for." I said, "Madam, what have you got to be grateful for, you seem to be living in extremely modest circumstances". She said, "I'll tell you, sir, what it is. First of all, I am grateful that I live in Britain. Second, I am grateful that we live in freedom. Third, sir, I have something personal to be grateful for. Do you know, sir, that from the time I was a girl, up to the battle of Britain I had to take medicine for my bowels. I have never had to take any since".

Some hon. Members: Oh, oh.

Mr. Thompson: What has that got to do with farm credit?

Some hon. Members: Ten o'clock.

The Chairman: Order. Shall the resolution carry?

Mr. Herridge: Mr. Chairman, in concluding may I say that the dear old lady said to me, "Do you know how I am showing my gratitude. I have been participating in government ever since. I am doing all I can to make things better for the folk on our street".

I think we can learn a lesson from that old lady. We have much to be grateful for. We have a duty and a responsibility to promote farming as a way of life, to promote the restoration of rural Canada to its former greatness and its position in Canadian society. We want a policy that provides purpose and opportunity for participation, planning by governments, co-operation among farmers and community organization, all based on the initiative and virtues of farm folk.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I inquire from the house leader what the business will be for tomorrow?

Mr. Churchill: We will continue tomorrow with the business that was announced last night, starting with the resolution in the name of the Minister of Agriculture.

Mr. Chevrier: May I ask, in view of the statement made by the Minister of Finance today, what the business will be for Thursday and Friday?

Mr. Churchill: Mr. Speaker, I hope to be in a position tomorrow at six o'clock to give the house information as to what will be occurring on Thursday and Friday and the next week.

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

HOUSE OF COMMONS

Wednesday, October 17, 1962

The house met at 2.30 p.m.

HEALTH AND WELFARE

ANNOUNCEMENT OF CHANGES IN RADIATION MEASUREMENT PROGRAM

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, there have been some changes made in my department's radiation measurement program which I feel would be of interest to the house.

As hon. members will recall, last May we set up a fluid milk sampling program at three stations which is designed to measure levels of iodine 131, a short-lived component of fall-out. By July of this year the network measuring iodine 131 was increased to seven stations, with samples being taken three times a week. Several days ago two more stations were opened, so that the network now covers Vancouver, Calgary, Saskatoon, Winnipeg, Sault Ste. Marie, London, Ottawa, Quebec city and Halifax.

A further change has to do with the publication of results from various sectors of the measurement program. Until now these have been reported on a quarterly basis. However, developments have now reached the point where it is practical to publish findings on a monthly basis. The first of these reports should be released today. For the information of the house I might say that this report will show an increase in iodine 131 levels during the month of September. However, the accumulated levels are still substantially below those at which remedial action is considered essential to public health.

These new procedures of more frequent reporting which I mentioned earlier will, I hope, contribute to keeping the Canadian public informed on developments of the field of radiation.

FINANCE

ANNOUNCEMENT OF MODIFICATION OF IMPORT SURCHARGES

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, I should like to make an announcement concerning the import surcharges which were instituted in June to deal with the critical exchange situation. These measures have been kept under constant review by the government, and in the light of representations which have now been received from Canadian businessmen and individuals, firms and corporations, certain adjustments have been made to remove anomalies and to deal with hardship cases.

I am now glad to be able to inform the house that in the light of our improved foreign exchange position a first major step is being taken toward the removal of these surcharges. Effective immediately the surcharges are being removed from industrial machinery and equipment not made in Canada, wherever such equipment is separately classified in the tariff.

The surcharges are also being removed from two products which must be imported for use in Canadian manufacturing. One is wide steel sheets for use in the manufacture of bathtub stampings. The other is corn used in making starch and a number of other products also used in the House of Commons. The surcharge was removed from corn for agricultural purposes some time ago, and all corn will now be free of surcharge regardless of use.

The removal of these surcharges will assist Canadian industry in becoming more competitive here in Canada and in export markets. It also meets some of the legitimate concerns of our trading partners whose trade interests have been affected. The Prime Minister has made clear that the surcharges are temporary in nature and will be removed as soon as our circumstances permit. I am sure that this house and the trading community, both in Canada and abroad, will welcome this present move.

TRADE

LUMBER—STATEMENT FOLLOWING DISCUSSIONS AT OTTAWA

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, officials of the United States and Canadian governments today concluded two days of discussion at Ottawa on present and future problems confronting the North American softwood lumber industries. A communique was issued, the substance of which is as follows. They developed further the subjects discussed at the first meeting relative to the position of the softwood lumber industries in Canada and the United States, factors currently affecting the two industries, and the outlook for the future,

both short and long term. Industry representatives from the two countries were available for consultation.

It was recognized that both countries have a mutual interest in a satisfactory resolution of problems facing the North American softwood lumber industries. It was agreed that an ad hoc joint expert working group of government officials would be established to examine co-operatively such matters as the results of the recent storm on the Pacific coast; the longer term North American supply and demand prospects for timber resources; wood utilization generally, and market development.

It was agreed that as need arose industry representatives of the two countries would be consulted in an appropriate manner.

(Translation):

COAL PRODUCTION ASSISTANCE ACT

ADJUSTMENT OF RATE AND TERMS OF REPAYMENT

Hon. Paul Martineau (Minister of Mines and Technical Surveys) moved for leave to introduce Bill No. C-64, to amend the Coal Production Assistance Act.

He said: Mr. Speaker, the bill stipulates that where the coal produced by a mine is of a lower value than what was originally provided for under the act, the rate of repayment per ton will be reduced to a level corresponding to that real value.

The bill also provides for another minor amendment concerning the terms of repayment and makes it an offence to make a false statement in support of a request.

The bill also authorizes the renegotiation of a specific agreement where, because of special circumstances, the borrower may ask to be relieved from some of the obligations into which he has entered.

(Text):

Motion agreed to and bill read the first time.

REVISED STATUTES

PROVISION FOR REVISION BY COMMISSION

Hon. Donald M. Fleming (Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to present a measure respecting the Revised Statutes of Canada, thereby to establish a commission to effect such revision and to authorize remuneration to be paid to certain assistants, officers, clerks and employees.

Motion agreed to.

[Mr. Diefenbaker.]

HOUSE OF COMMONS

KEEPING IN ORDER FILES OF HON. MEMBERS

Mr. Speaker: Prior to calling questions I should like to draw to the attention of hon. members something that has been reported to me by the staff charged with keeping in order the bills, orders of the day, and *Hansards* at the various desks of hon. members. Perhaps in the enthusiasm of getting out of the house at night hon. members are carrying with them their bound folders of *Hansard* and other material that is at their desks, taking them up to their offices and leaving them there. This causes a considerable inconvenience to the staff charged with keeping these desks in order. We would respectfully ask hon. members first of all to leave them here. They have alternate supplies at their offices; and if in their offices they have any of the material I have mentioned, would they kindly bring it back.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MONTREAL—IDENTICAL TENDERS FOR ELECTRICAL EQUIPMENT

Question No. 7—**Mr. Herridge:**

Has information been received from the city of Montreal concerning identical tenders from several firms for the supply of electrical equipment and, if so, (a) on how many occasions since January 1, 1961, has such information been received from the city of Montreal (b) what action has been taken in each case (c) what answer or answers have been sent to the city of Montreal?

Answer by: **Mr. Bell (Saint John-Albert):**

(a) As reported in the press, the city of Montreal has written twice since January 1, 1961 (on June 19, 1962 and September 11, 1962), stating that on each occasion identical tenders had been received for the supply of electric lighting equipment.

(b) The information submitted has been referred to the director of investigation and research under the Combines Investigation Act.

(c) The representations from the city were duly acknowledged and a request was made for further particulars in order that the director may determine whether the situation is such as to warrant formal inquiry under the Combines Investigation Act. The general practice, however, is that no information is given out as to whether an inquiry under the act is being pursued in a particular industry unless and until a report is published.

*CABINET MINISTERS HOLDING SHARES OR DIRECTORSHIPS

Question No. 25—**Mr. Fisher:**

Has the Prime Minister issued any public statement on (a) the propriety of ministers holding directorships or executive positions with private corporations or (b) the propriety of ministers holding shares of private corporations and, if so, when was the statement made and what was the gist of it on each of these matters?

Mr. Diefenbaker: Mr. Speaker, in regard to part (a) there has been no issue of a statement as such, although there have been references made by me from time to time in the house and elsewhere. The effect of these utterances is that members of the cabinet should upon their appointment resign any directorships held in business corporations. On June 20, 1961, as found at page 6599 of *Hansard*, I emphasized that the policy of the present government when it came into power was to ensure that no minister in the cabinet would hold a portfolio while at the same time having a position as director of any company.

With regard to part (b) of the question, no statement has been made in the house that I recall, although on a number of occasions I have stated that, in so far as shares in corporations are concerned, there is no necessity of ministers divesting themselves of their stock holdings.

CITIZENSHIP CERTIFICATES TO CHINESE

Question No. 31—**Mr. Howard:**

1. For each year since January 1, 1957, how many, if any, certificates of citizenship have been granted to people of Chinese origin?

2. With respect to the period of time which elapses between the exam for citizenship before a judge and the issuance of the said certificate, what period of that time lapsed with respect to each of the said people of Chinese origin expressed by groups in units of weeks and/or years as the case may be?

Answer by: **Mr. McGee:**

1. 1957, 2,160; 1958, 2,058; 1959, 1,318; 1960, 347; 1961, 755; 1962 (January 1 to June 30—573. Totals for third quarter not yet available).

2. In order to obtain this information it would be necessary to examine approximately 60,000 index cards together with their case files. This would require several months work and would involve the removal of staff from the task of processing the present large number of applications for Canadian citizenship.

MACKENZIE DISTRICT INDIANS—TREATIES 8 AND 11

Question No. 61—**Mr. Howard:**

What action has been taken with respect to the recommendations of the commission of inquiry, appointed on June 25, 1959, to inquire generally into all matters arising out of unfulfilled provisions of treaties 8 and 11 as they applied to Indians of the Mackenzie district?

Answer by: **Mr. McGee:**

The matter is under study.

*PRISONERS SENTENCED UNDER SECTION 661 OF CODE

Question No. 86—**Mr. Matheson:**

1. How many inmates were housed in federal institutions in September 1962 as a result of sentences imposed under the provisions of section 661 of the Criminal Code of Canada?

2. How many of these received psychological and psychiatric therapy during the said month of September?

Mr. Bell (Saint John-Albert): The answer to part 1 is 26.

The answer to part 2 is that six inmates received psychiatric therapy in September. Twelve inmates sentenced under section 661 of the code are receiving regular therapy interviews but were not actually interviewed by the psychiatrist in the month of September. Eight inmates sentenced under this section are considered to be unsuitable for psychiatric help due to their mental state, hostility or poor mental capacity.

VANCOUVER AIRPORT—TERMINAL CONSTRUCTION

Question No. 99—**Mr. Laing:**

1. Has a decision been taken to build an air terminal at Vancouver international airport and, if so, have plans been completed for this air terminal?

2. If plans are ready, what is the estimated cost, and when may work be expected to commence?

Answer by: **Mr. McBain:**

1 and 2. Treasury board has granted approval in principle to build an air terminal at Vancouver international airport. Plans and specifications are not yet ready and will take some considerable time to develop and complete. The pre-loading of the site of the new air terminal is under way.

CORPORATION AND INCOME TAXES

Question No. 100—**Mr. Laing:**

What has been the total of (a) corporation taxes (b) personal income taxes, collected from each province in each fiscal year from 1949-50 to the present?

Answer by: **Mr. Flemming (Victoria-Carleton):**

(a) As detailed in schedule A attached.

(b) As detailed in schedule B attached.

SCHEDULE A

(a) CORPORATION GENERAL INCOME TAX COLLECTIONS BY PROVINCES 1950 TO 1962 FISCAL YEARS INCLUSIVE

Provinces and Territory	1950	1951	1952(1)	1953(1)	1954(1)	1955(1)	1956(1)	1957(2)	1958(1)	1959(1)	1960(1)	1961(1)	1962(1)
	$	$	$	$	$	$	$	$	$	$	$	$	$
Newfoundland....	1,534,096	5,356,861	11,399,902	14,527,565	11,291,154	11,082,968	11,878,035	13,652,389	9,492,285	9,138,487	9,988,085	13,537,563	13,324,878
Prince Edward Island.....	1,046,929	1,198,674	1,211,070	1,256,142	1,206,515	772,981	817,263	1,884,970	1,918,478	1,253,321	1,131,701	1,734,489	1,570,318
Nova Scotia.....	12,313,045	12,686,307	17,485,610	23,309,675	18,168,235	14,210,351	15,157,576	18,392,590	17,339,502	14,988,960	13,883,823	17,277,959	16,157,539
New Brunswick..	8,030,551	9,115,659	16,749,437	15,340,899	13,445,419	11,229,964	13,279,332	14,674,906	13,372,434	11,131,689	13,602,986	15,398,688	14,159,405
Quebec.....	178,763,722	216,842,374	344,175,722	385,025,260	363,686,264	325,152,800	316,424,090	370,138,324	365,311,257	316,177,897	374,102,990	408,040,657	405,362,708
Ontario.....	284,720,048	340,698,955	516,686,328	599,383,646	622,304,424	512,159,087	521,147,636	678,591,516	669,364,568	519,174,663	590,016,723	675,827,016	610,147,909
Manitoba.....	26,828,465	28,602,238	41,944,757	49,716,197	48,053,846	40,970,535	39,036,596	44,650,737	45,368,487	45,979,642	52,650,869	51,344,652	48,107,436
Saskatchewan....	5,805,895	5,405,249	6,316,388	9,096,047	10,134,919	8,041,988	6,751,963	7,606,044	10,709,466	13,744,924	13,649,161	12,872,594	12,979,822
Alberta.....	20,882,364	22,587,275	33,280,467	43,687,135	49,482,486	38,413,983	40,168,628	53,532,482	60,558,552	58,443,597	63,302,888	66,108,322	68,410,737
British Columbia.	62,044,168	68,923,315	128,616,686	124,924,457	100,041,335	97,793,926	107,959,557	132,512,957	101,978,255	85,539,449	101,659,713	117,744,172	113,026,047
Yukon.....	103,375	159,828	200,835	289,771	200,712	320,343	426,097	—	57,441	305,537	226,763	242,268	255,835

(1) Includes collections of Old Age Security Tax.

(2) Includes collections of Old Age Security Tax and Tax on Undistributed Income.

SCHEDULE B

(b) INDIVIDUAL GENERAL INCOME TAX COLLECTIONS BY PROVINCES 1950 TO 1962 FISCAL YEARS INCLUSIVE

Provinces and Territory	1950	1951	1952(1)	1953(1)	1954(1)	1955(1)	1956(1)	1957(1)	1958(1)	1959(1)	1960(1)	1961(1)	1962(1)(2)
	$	$	$	$	$	$	$	$	$	$	$	$	$
Newfoundland....	2,188,507	4,206,838	7,117,297	10,397,984	11,681,181	12,331,538	13,235,430	14,250,228	14,628,377	11,573,291	13,839,642	16,581,566	17,601,849
Prince Edward Island.....	1,360,678	1,286,573	1,301,985	1,658,995	1,605,453	1,437,912	1,634,968	1,769,329	1,709,762	1,501,725	1,865,165	2,285,772	2,692,053
Nova Scotia.....	11,658,979	11,929,119	16,568,134	21,014,883	20,514,898	20,941,823	21,625,133	23,716,944	25,963,803	22,434,500	27,145,514	31,849,292	35,190,143
New Brunswick..	9,349,547	8,849,823	13,428,378	17,853,732	19,541,055	16,438,288	17,018,342	19,573,362	19,264,219	16,788,294	21,707,350	23,857,451	27,232,625
Quebec.....	146,300,694	155,018,683	236,480,799	286,595,444	284,079,810	285,873,287	264,863,565	335,464,093	360,711,221	324,267,765	379,726,676	423,576,318	469,827,176
Ontario.....	285,968,440	309,496,890	471,830,842	590,773,744	623,466,371	633,419,353	660,209,785	767,903,705	814,395,061	754,049,976	875,867,917	963,823,610	1,015,724,845
Manitoba.....	32,682,064	30,843,644	44,303,460	57,335,956	60,340,154	60,897,018	60,250,750	67,631,692	72,961,592	71,736,433	85,834,452	98,096,303	108,136,772
Saskatchewan....	28,570,676	23,376,360	27,100,165	37,450,544	46,735,840	44,003,728	31,067,714	34,780,601	41,140,179	39,867,411	47,627,839	53,827,586	58,127,566
Alberta.....	40,960,325	40,895,324	54,895,533	74,097,267	81,027,234	79,617,434	79,290,513	95,681,639	107,301,162	101,023,768	117,788,104	126,686,960	142,315,360
British Columbia.	62,259,464	65,635,113	101,498,857	126,196,995	127,366,015	126,941,030	136,834,172	162,485,191	174,712,816	154,661,558	178,721,192	197,567,154	209,310,175
Yukon.....	656,636	790,193	1,250,870	1,900,018	1,997,605	2,446,423	2,069,353	2,193,661	2,001,198	1,944,593	2,069,852	2,407,560	2,108,920

(1) Includes collections of Old Age Security Tax.

(2) Includes refunds and payments related to 1961 T1 Short returns filed at the Data Centre in Ontario by taxpayers in the Western Provinces during the period January 3—March 31, 1962.

ST. MARY'S RIVER, N.S.—CONTRACT FOR BUOYS

Question No. 102—**Mr. Stewart:**

1. Who presently has the contract for placing buoys or markers in the St. Mary's river, Guysborough county, Nova Scotia?
2. When did the term of this contract begin, what are its financial terms, and when will it expire?
3. Was the contract obtained by tender, and, if so, was there a lower tender?
4. Is there now a buoy or marker at Slate Rock?
5. Has the accuracy of the placing of the buoys or markers in the river this year been examined by officers of the department and, if so, by whom, and on what date?

Answer by: **Mr. McBain:**

1. There are two contracts for the placing of buoys and markers in the St. Mary's river, one with Mr. Arthur Mailman, Sonora, N.S., and the other with Mr. George M. Wadds, Sherbrooke, N.S.

2. The contract with Mr. Mailman is for 3 years from July 2, 1961—$350 per annum. The contract with Mr. Wadds is for 2½ years from January 2, 1961—$280 per annum.

3. The contract with Mr. Mailman is a renewal of a previous contract with him. The contract with Mr. Wadds was awarded to him as a result of public tenders and as the lowest bidder.

4. Slate Rock is not shown on any Canadian hydrographic service chart. It is apparently a local name not known at headquarters.

5. The contract with Mr. Mailman has not been inspected this year. The contract with Mr. Wadds was inspected July 27 by officers of the Dartmouth marine agency.

FERRY SERVICE, WEST POINT, P.E.I.-NEW BRUNSWICK

Question No. 104—**Mr. Crossman:**

Has the government received a request for the establishment of a ferry service between West Point, Prince Edward Island, and the mainland of the east coast of New Brunswick, and, if so, what action has been taken to date?

Answer by: **Mr. McBain:**

A detailed submission and request was received by the government in 1948, and an analysis of expenditures and benefits to be derived therefrom did not justify the project.

In March this year, two letters were received and a meeting between the Canadian maritime commission and interested parties was held. No definite proposals were received as regards to ships, terminals, operating revenues ro costs and in consequence, no action was taken.

CANADIAN BOND PURCHASES, BANK OF CANADA

Question No. 105—**Mr. Leboe:**

1. Has the Bank of Canada bought any Dominion of Canada long-term bonds in the last six months?
2. If so, was the source of money, used for these purchases, new money or from some other source?
3. If money was from some other source, why was Bank of Canada credit not used?

Answer by: **Mr. Grafftey:**

1. The Bank of Canada's holdings of bonds of various terms to maturity are published, as required by the Bank of Canada Act.

2 and 3. Any net increase in the Bank of Canada's assets involves an increase in the Bank of Canada's liabilities, i.e. in the amount of Bank of Canada credit outstanding.

SMALL BUSINESSES LOANS

Question No. 126—**Mr. Fisher:**

1. In the loans made in 1961 under the Small Businesses Loans Act, what portion of the number of loans and the total value of the loans were granted in each of the four categories listed in the annual report to persons or businesses in towns or communities of less than (a) 20,000 population (b) 5,000 population?
2. Has the government any explanation for any disparity that the 1961 statistics released on the operations of this act may show regarding the relative number of loans made by the different banks, having regard to their total assets and number of branches?

Answer by: **Mr. Grafftey:**

1. Not known.
2. Answered by No. 1.

PENSION BY-LAWS, BANK OF CANADA

Question No. 127—**Mr. Fisher:**

1. Has the Bank of Canada a set of pension by-laws?
2. If so, was a section or rule of that by-law suspended by the board of the bank?
3. If so, why?
4. Is the suspension still in effect, and if so, what effect does its suspension have upon the pension received by or entitled to by any former senior employees of the bank?
5. Has the government, as distinct from the Bank of Canada, received any communications from Mr. James Coyne, a former governor, regarding any pension entitlement he may have?

Answer by: **Mr. Grafftey:**

1. Yes.
2. Yes.
3. For further consideration by the board.
4. Not a matter of public record.
5. No.

COMBINES—FEES PAID FOR SERVICES

Question No. 147—**Mr. Howard:**

1. Since January 1, 1959, have any fees or remuneration been paid to (a) legal counsel, and (b) other persons, for opinions and action arising out of reports of the restrictive trade practices commission or for other activities relating to the combines legislation?
2. If so, what are the names of (a) the counsel (b) other persons; and what amount was paid to each and for what services in connection with what case in each instance?

Questions

Answer by: **Mr. Bell (Saint John-Albert):**

1. (a) Yes.
   (b) Yes.

2. (a) Counsel	Case	Service	Fees	Disbursements	Total
			$	$	$
R. F. Wilson, Q.C.....	Beer.....	Preparation and prosecution.	45,365.00	13,614.60	58,979.60
R. B. Robinson.....	Beer.....	Preparation and prosecution.	28,750.00	3,709.76	32,459.76
H. Donald Guthrie...	Beer.....	Preparation and prosecution.	13,101.25	752.14	13,853.39
C. W. Tysoe, Q.C.....	Beer.....	Commissioner to take evidence on commission.....	225.00	98.42	323.42
R. B. Lamb, Q.C.....	Belts.....	Opinion and preparation.....	722.00	26.20	748.20
John G. Ahern, Q.C...	Boxboard grades of paperboard.....	Preparation and prosecution.	578.00	7.40	585.40
J. Raphael Beaudette, Q.C.....	Boxboard grades of paperboard.....	Preparation and prosecution.	1,225.00	—	1,225.00
P. S. FitzGerald, Q.C.	Coal, Sault Ste. Marie	Preparation and prosecution.	3,054.00	226.80	3,280.80
G. S. Wismer, Q.C....	Coarse papers.....	Preparation and prosecution.	1,000.00	—	1,000.00
L. H. Jackson.....	Coarse papers.....	Preparation and prosecution.	1,573.00	159.15	1,732.15
Campbell Grant, Q.C.	Electrical construction materials and equipment.....	Preparation and prosecution.	7,500.00	675.96	8,175.96
W. J. Anderson, Q.C..	Electrical construction materials and equipment.....	Preparation and prosecution.	3,963.25	483.30	4,446.55
Arthur A. Macdonald, Q.C.....	Gasoline, Toronto area	Preparation and prosecution.	1,000.00	56.45	1,056.45
George S. P. Ferguson, Q.C.....	Gasoline, Toronto area (B.A.).....	Opinion.....	960.00	41.42	1,001.42
George S. P. Ferguson, Q.C.....	Gasoline, Toronto area (Supertest).....	Opinion.....	960.00	41.73	1,001.73
William C. Lawrence.	Meat packing industry.	Assistance on opinion.....	240.00	1.40	241.40
Joseph Sedgwick, Q.C.	Metal culverts.....	Preparation and prosecution.	4,600.00	47.30	4,647.30
J. C. McTague.....	Metal culverts.....	Preparation and prosecution.	7,026.25	1,274.72	8,300.97
J. D. Hilton, Q.C.....	Cameras (Garlick Films Limited).....	Opinion and preparation.....	69.75	—	69.75
J. D. Hilton, Q.C.....	Cameras (Arrow Photographic Equipment Limited).....	Opinion and preparation.....	171.25	—	171.25
Dollard Dansereau, Q.C.....	Pulpwood.....	Preparation and prosecution.	25,489.50	382.25	25,871.75
Jean Paul Ste. Marie, Q.C.....	Pulpwood.....	Preparation and prosecution.	11,923.00	97.40	12,020.40
Arthur S. Pattillo, Q.C.....	Sugar industry, Eastern Canada.....	Opinion.....	3,285.00	328.51	3,613.51
Lucien Tremblay, Q.C.	Sugar Industry, eastern Canada.....	Preparation.....	—	37.90	37.90

Questions

Counsel	Case	Service	Fees	Disbursements	Total
			$	$	$
Jean-Paul Cardinal, Q.C.	Sugar industry, eastern Canada	Preparation and prosecution.	4,340.00	20.05	4,360.05
Claude Guerin	Sugar industry, eastern Canada	Preparation and prosecution.	337.75	—	337.75
F. O. Meighen, Q.C.	Sugar industry, western Canada	Preparation and prosecution.	30,800.50	3,465.37	34,265.87
W. L. Ritchie	Sugar industry, western Canada	Preparation and prosecution.	13,582.50	1,150.19	14,732.69
G. Arthur Martin, Q.C.	Sugar industry, western Canada	Opinion	1,500.00	44.00	1,544.00
Campbell Grant, Q.C.	Surgical rubber gloves and surgical supplies.	Opinion and prosecution	1,330.00	301.58	1,631.58
W. J. Smith, Q.C.	Transparent packaging	Opinion	1,740.00	96.00	1,836.00
F. Craig Munroe, Q.C.	Newspapers, Vancouver	Opinion	650.00	300.40	950.40
Pierre A. Badeaux, Q.C.	Zinc oxide	Opinion	1,132.00	36.70	1,168.70
I. Nitikman, Q.C.	Resale price maintenance case referred direct to counsel (oil filters and related products)	Preparation and prosecution.	1,766.75	16.10	1,782.85
Ralph S. McCreath, Q.C.	Misleading advertising case referred direct to counsel (photographic goods)	Preparation and prosecution.	1,889.00	8.00	1,897.00
W. Dan Chilcott	Misleading advertising inquiry referred direct to counsel (stereo combination set)*	Opinion	182.00	—	182.00
J. Harper Prowse, Q.C.	Misleading advertising case referred direct to counsel (watches)	Preparation	73.00	12.25	85.25
Ralph S. McCreath, Q.C.	Misleading advertising case referred direct to counsel (photographic goods)	Preparation and prosecution.	455.00	5.89	460.89
H. Donald Guthrie, Q.C.	B.C. Fish	Injunction proceedings	101.00	—	101.00
C. W. Tysoe, Q.C.	B. C. Fish	Injunction proceedings	8,635.04	—	8,635.04
Harvey J. Grey	B. C. Fish	Injunction proceedings	3,862.90	—	3,862.90
J. A. W. Whiteacre	B. C. Fish	Injunction proceedings	376.50	—	376.50
Jean-Paul Cardinal, Q.C.	Towels and uniforms	Injunction proceedings	1,695.00	82.20	1,777.20
Lucien Tremblay, Q.C.	Towels and uniforms	Injunction proceedings	612.50	5.90	618.40
Dr. Irving Brecher	Beer	Economic advice	3,700.00	725.95	4,425.95
Professor E. S. Mason.	Beer	Economic advice	2,116.00	—	2,116.00

Counsel	Case	Service	Fees	Disbursements	Total
			$	$	$
Dr. L. A. Skeoch	Beer	Economic advice	100.00	77.75	177.75
D. Selman	Beer	Accountant	3,226.55	601.85	3,828.40
Henry Barber, Mapp & Mapp	Beer	Accountants	9,250.00	209.35	9,459.35
M. A. Hurteau	Boxboard grades of paperboard	Clerk of court	100.00	—	100.00
M. A. Hurteau	Pulpwood	Clerk of court	388.50	—	388.50
Professor H. Scott Gordon	Fish, B. C.	Economic advice	575.00	19.50	594.50
Professor S. M. Jamieson	Fish, B.C.	Economic advice	850.00	25.25	875.25
Professor Boris S. Swerling	Sugar industry, western Canada	Economic advice	144.00	—	144.00
Professor H. Scott Gordon	Sugar insustry, western Canada	Economic advice	1,350.00	—	1,350.00
Professor K. A. H. Buckley	Sugar industry, eastern Canada	Economic advice	2,720.00	42.91	2,762.91
Professor H. E. English	Sugar industry, eastern Canada	Economic advice	965.00	37.50	1,002.50
Milne, Honeywell & Burpee	Paperboard shipping containers	Accountants	175.00	—	175.00
Professor Stefan Stykolt	Paperboard shipping containers	Economic advice	2,700.00	50.45	2,750.45
Milne, Honeywell & Burpee	Meat packing industry	Accountants	400.00	—	400.00
Dr. W. J. Anderson	Meat packing industry	Economic advice	560.00	—	560.00
Professor J. A. Corry	Newspapers, Vancouver	Economic advice	1,050.00	—	1,050.00
Professor H. Scott Gordon	Ammunition	Economic advice	600.00	—	600.00
Professor C. A. Ashley	Automobile insurance.	Economic advice	200.00	—	200.00
Dr. A. W. Currie	Automobile insurance.	Economic advice	50.00	—	50.00
Professor Albert Breton	Food Distribution inquiry	Economic advice	5,722.75	583.65	6,306.40
Professor M. D. Stewart	Food distribution inquiry	Economic advice	185.90	65.70	251.60

*Inquiry discontinued (see annual report of the director of investigation and research for the fiscal year ended March 31, 1962, page 27).

NOTE—In addition to the above, a number of verbatim reporters, summer students and other temporary personnel have been retained from time to time by the combines branch.

JUVENILE DELINQUENTS ACT, KINGS COUNTY, N.B.

Question No. 168—**Mr. Fairweather:**

Has the attorney general of New Brunswick or any official of the government of New Brunswick requested that the Juvenile Delinquents Act be brought into effect in the county of Kings in New Brunswick in pursuance of a resolution passed in January 1962 by the council of the municipality of Kings?

[Mr. Bell (Saint John-Albert).]

Answer by: **Mr. Bell (Saint John-Albert):**

Yes. The attorney general of New Brunswick wrote to the Minister of Justice requesting that the Juvenile Delinquents Act be brought into effect in the county of Kings in the province of New Brunswick pursuant to a resolution passed in January 1962 by the council of the municipality of Kings and a

proclamation was published in the *Canada Gazette* of September 8, 1962, proclaiming the act to be in force in the county of Kings.

UNEMPLOYMENT INSURANCE OFFICE, CAMPBELL RIVER, B.C.

Question No. 169—**Mr. Barnett:**

Is there space in the federal building at Campbell river, B.C., which could be made available for the establishment of an employment office by the unemployment insurance commission?

Answer by: **Mr. McCleave:**

There is 434 square feet of vacant space on the second floor of the federal building at Campbell river, B.C. A further 187 square feet is leased on a monthly basis to the provincial government of British Columbia and could be vacated, as required, for federal services.

UNEMPLOYMENT INSURANCE OFFICE, CAMPBELL RIVER, B.C.

Question No. 170—**Mr. Barnett:**

1. Has the unemployment insurance commission plans for the establishment of an office at Campbell river, B.C., and, if so, when is it intended that such an office will be put into operation?

2. What is the nature and extent of the services which will be provided through this office?

Answer by: **Mr. Hales:**

1. The unemployment insurance commission does not plan to open an office at Campbell river, B.C.

2. Not applicable.

LAKEHEAD—HARBOUR PILOTAGE

Question No. 179—**Mr. Fisher:**

1. Has there been a situation, in pilotage arrangements at the Canadian lakehead, that some ships have had to bring pilots in from Duluth in order to make minor moves within the harbour?

2. If so, (a) on what occasions, and what were the ships involved (b) what steps are being planned by the Department of Transport to improve matters?

Answer by: **Mr. McBain:**

1. Yes.

2. (a) On occasion when a foreign ship whose master or officer did not hold a certificate of qualification required a registered pilot, and there was no registered pilot available at the lakehead.

(b) Steps have already been taken to ensure that there will be sufficient work to justify the presence of one or more registered pilots at lakehead harbour at all times.

NORTH SYDNEY-ARGENTIA FERRY

Question No. 182—**Mr. Muir (Cape Breton North and Victoria):**

1. Are plans and specifications being prepared for a new North Sydney to Argentia ferry?

2. Has any agreement been reached by the Department of Transport, Canadian National Railways, and the Department of Public Works as to terminal facilities at North Sydney and Argentia?

3. Has any agreement been reached with the United States government for use of the present Argentia facilities?

4. If the answer to part 1 is yes, when is it proposed to call tenders for construction of the proposed new ferry?

Answer by: **Mr. McBain:**

1. Yes.

2. Agreement in principle has been reached subject to more detailed technical study.

3. Yes.

4. Subject to the provision of funds by parliament for the fiscal year 1963-64, the department will be in a position to call tenders during that fiscal year.

HALIFAX HARBOUR LIGHTSHIP

Question No. 185—**Mr. Morris:**

Is there any intention to withdraw the Sambro lightship permanently from position in the entrance to Halifax harbour?

Answer by: **Mr. McBain:**

No decision has been taken that would involve the removal of the Sambro lightship in the near future. However plans for the further extension and improvement of modern electronic and other aids to navigation covering the approaches to Halifax over the coming years may, in due course, require consideration of the lightship, which does not itself mark any hazard. It may be it will be found that in due course its purpose can be more effectively carried out by modern means which provide precise positioning over a much wider segment of the approach area, but this remains to be seen.

*USE OF FRENCH AND ENGLISH IN CIVIL SERVICE

Question No. 190—**Mr. Marcoux:**

Concerning the resolution dealing with the use of French and English in the civil service and the extra pay for bilingual employees, adopted by the civil service association of Canada in Vancouver, as reported by the Montreal *Star* of October 5, 1962, is it the intention of the government to adopt the resolutions passed by this body?

(Translation):

Mr. Grafftey: The answer is that the government has no comment to make concerning such a report.

(Text):

AGASSIZ, B.C., NARCOTICS TREATMENT CENTRE

Question No. 193—**Mr. Berger:**

1. Is the government proceeding with construction of a centre for the confinement and treatment of narcotics addicts at Agassiz, B.C., and, if so, what expenditures have been made to date in connection therewith?

2. Have there been any changes from the original plans regarding the total cost of the centre and the number of addicts that the centre will be designed to accommodate?

Questions

3. If the construction of the centre has been postponed, when does the government expect to proceed with it?

4. If the project has been abandoned, what expenditures were made prior to abandonment?

Answer by: **Mr. Bell (Saint John-Albert):**

1. The institution for the treatment of drug addicts was never planned to be constructed at Agassiz, B.C. The drug addicts' institution will be constructed at Matsqui, B.C. and is progressing as scheduled. Expenditures to date are: Survey: $4,978; appraisal: $900; architect fees: $46,166.66; exploratory well drilling: $13,278.65; other expenses: $905.99; totalling: $66,229.30.

2. No.

3. Not applicable. See answer No. 1.

4. Not applicable. See answer No. 1.

INDUSTRIAL DEVELOPMENT BANK

Question No. 195—**Mr. Thompson:**

1. What is the total amount, in dollars, that the industrial development bank is permitted to loan to borrowers at any one time?

2. From what source does the industrial development bank obtain the funds which it lends to borrowers?

3. What is the average cost of operation of the industrial development bank as a percentage of revenue obtained from the operation of the bank?

4. What is the total value of guarantees extended by the industrial development bank relative to loans made to borrowers by other lending agencies?

5. What reserves are held by the industrial development bank in connection with liability under such guarantees?

Answer by: **Mr. Grafftey:**

1. The Industrial Development Bank Act does not contain any direct limitation on the amount which the industrial development bank is permitted to loan to borrowers at any one time, but section 14 of the act provides that the aggregate of the total direct liabilities of the bank including debentures, contingent liabilities in the form of guarantees given or underwriting agreements entered by it shall not, at any time, exceed five times the aggregate amount of the paid up capital and reserve fund.

2. The bank obtains the funds which it lends to borrowers from three main sources, viz: the issue of share capital, the reserve fund built up through retention of profits, and the issue of debentures.

3. In the year ending September 30, 1961, the average cost of operation of the industrial development bank, including cost of debentures and provision for losses was 83.9 per cent of revenue obtained from the operation of the industrial development bank.

4. The total amount of guarantees extended by the industrial development bank as at August 31, 1962 was $13,661.

5. No specific part of the industrial development bank's reserve for losses is allocated to guarantees.

FRASER RIVER BOARD AUTHORITY

Question No. 196—**Mr. Mather:**

1. What is the situation concerning re-organization of the New Westminster harbour commission and the establishment of the Fraser river board authority?

2. Is it the intention of the Minister of Transport to introduce legislation providing for the establishment of the new authority at the present session and, if so, will the member municipalities be given an opportunity to review the constitution of the new authority at the end of the authority's first year of operation?

Answer by: **Mr. McBain:**

1. After discussions with the local authorities, a plan of reorganization has been broadly agreed upon.

2. (a) It is expected that appropriate legislation will be ready for introduction in the house during the present session of parliament.

(b) This matter could be discussed when the relevant bill is before the house.

*FOREIGN EXCHANGE AUSTERITY MEASURES

Question No. 200—**Mr. Robichaud:**

Has the government adopted emergency-austerity measures to protect Canada's foreign exchange reserves and, if so (a) on what date were such measures introduced (b) were these measures still in force as of 11:30 a.m. on Thursday, October 11, 1962?

(Translation):

Mr. Grafftey: On June 24, 1962, the Prime Minister announced the steps that the government was taking to stop the decrease of exchange reserves and improve Canada's international balance of payments. These measures became effective on June 25. Except for very slight changes, which were announced, they were still in force at 11.30 a.m. on Thursday, October 11.

(Text):

ST. LAWRENCE SEAWAY—TWINNING OF LOCKS

Question No. 209—**Mr. Lamoureux:**

1. Has the government decided to twin the St. Lawrence seaway locks at Welland?

2. Has the government given any consideration to the twinning of the locks at Cornwall?

3. What level and value of traffic would be required to render twinning of the locks at Cornwall economically feasible?

4. Has the seaway authority expropriated all lands necessary to complete the project and, if not, is it the intention of the authority to effect the necessary expropriations at an early date?

Answer by: **Mr. McBain:**

The St. Lawrence seaway authority advises as follows:

1. See page 238, *Hansard*, October 5, 1962.

2, 3 and 4. It is assumed that these three parts of the question refer to a possible all

Canadian seaway; in which event, land required for single locks has been expropriated. Studies have not been completed as to when these locks might be required.

*ASSISTANCE TO INDIANS, NEWFOUNDLAND-LABRADOR

Question No. 210—**Mr. Granger:**

Are steps being taken by the Minister of Citizenship and Immigration to raise the standard of financial assistance, toward the education and welfare of Indians in Newfoundland-Labrador, to the level now provided in other parts of Canada and, if so, what is the nature of these steps?

Mr. Bell (Carleton): Under the terms of union the responsibility for the education and welfare of the Indians in Newfoundland-Labrador rests with the province. However, as the hon. member was informed by my predecessor on September 26, 1961, the government has received requests from Newfoundland for financial assistance. These requests are under consideration and an appropriate announcement will be made when a decision has been reached.

*ASSISTANCE TO ESKIMOS, NEWFOUNDLAND-LABRADOR

Question No. 211—**Mr. Granger:**

Are steps being taken by the Minister of Northern Affairs and National Resources to raise the standard of financial assistance toward the education and welfare of Eskimos in Newfoundland-Labrador, to the level now provided in other parts of Canada and, if so, what is the nature of these steps?

Mr. Dinsdale: The terms of union with Newfoundland made the province responsible for the education and welfare of the Eskimo population. Requests have been received from the Newfoundland government, for financial assistance and these are under consideration.

EDMUNDSTON, N.B. PUBLIC BUILDING

Question No. 219—**Mr. Dube:**

Does the government intend to proceed with the construction of a federal building at Edmundston, N.B., and, if so (a) are the plans and specifications completed and (b) when will the construction be undertaken?

Answer by: **Mr. McCleave:**

Yes; (a) no; (b) no decision made as to when construction will commence.

*AMOUNT OWING CENTRAL MORTGAGE AND HOUSING

Question No. 221—**Mr. Ouellet:**

What is the amount owed to the Central Mortgage and Housing Corporation by the borrowers?

Mr. McCleave: As at August 31, 1962, the outstanding balance of loans owing to Central Mortgage and Housing Corporation under the housing acts, plus interest accrued, amounted to $1,683,277,979.

Questions

AMOUNTS OWED TO AND BY CANADA

Question No. 223—**Mr. Ouellet:**

1. What amount is owed to Canada by other countries, and what countries are they?

2. What amount is owed by Canada to other countries, and what countries are they?

Answer by: **Mr. Grafftey:**

(Translation):

1. At December 31, 1960, Canadian assets abroad totalled $9.3 billion. These included direct investment, portfolio investments in stocks and bonds, loans and advances by the government of Canada, holdings of gold and foreign exchange by the government of Canada and other long term and short term assets. The geographical distribution of these assets was:

United States	$3.6 billion
United Kingdom	$1.5 billion
Other countries	$1.9 billion
Government of Canada holdings of gold and foreign exchange	$1.8 billion
Other assets (county distribution not available)	$0.4 billion
Total	$9.3 billion

(Note: As figures are rounded, totals do not necessarily equal the sum of their component parts.)

2. At December 31, 1960, Canadian liabilities to non-residents totalled $26.1 billion. These included direct investment, portfolio investments in stocks and bonds and other long term and short term liabilities. The geographical distribution of these liabilities was:

United States	$18.1 billion
United Kingdom	$ 3.6 billion
Other countries	$ 2.8 billion
Other liabilities (country distribution not available)	$ 1.7 billion
Total	$26.1 billion

(Note: As figures are rounded, totals do not necessarily equal the sum of their component parts.)

(Text):

IMPORTS OF DAIRY PRODUCTS, 1962

Question No. 226—**Mr. Clermont:**

Has Canada imported dairy products in 1962 and, if so (a) in what quantity (b) for what value (c) from what countries?

Questions

Answer by: **Mr. Nesbitt:**

(a), (b), and (c). Canada imported dairy products during the period January 1 to May 31, 1962 (latest statistics available) as follows:

Class	Unit of Quantity	Country	Quantity	Value
Milk, skim, powdered (class 2280)	lb.	United States	5,735	$ 3,391
		Totals	5,735	$ 3,391
Milk and cream, fresh (2281)	gal.	United Kingdom	444	1,627
		Denmark	9,459	25,423
		United States	2,998	14,894
		Totals	12,901	$ 41,944
Butter (2282)	lb.		Nil	
Casein (2283)	lb.	Australia	64,960	11,687
		New Zealand	89,250	16,879
		United States	51,269	14,814
		Totals	205,479	$ 43,380
Cheese (2284)	lb.	United Kingdom	52,489	28,940
		Austria	32,225	11,480
		Denmark	1,351,997	570,254
		Finland	82,651	21,890
		France	278,940	168,381
		Germany West	88,217	56,264
		Greece	15,812	7,271
		Italy	1,120,251	600,982
		Netherlands	758,776	328,962
		Norway	20,521	9,311
		Portugal	1,370	808
		Sweden	2,546	888
		Switzerland	747,846	460,452
		Poland	4,856	778
		Yugoslavia	16,491	7,092
		New Zealand	2,000	762
		Argentina	87,385	30,456
		United States	702,811	474,671
		Totals	5,367,184	$ 2,779,642
Milk, whole, powdered (2286)	lb.	United States	13,563	6,055
		Totals	13,563	$ 6,055
Milk products, condensed, evaporated, dried or powdered n.o.p. (2287)	lb.	Netherlands	27,313	6,390
		Switzerland	3,148	1,530
		United States	775,013	238,831
		Totals	805,474	$ 246,751

COST OF HOG PREMIUM

Question No. 227—**Mr. Clermont:**

1. What has been the cost to the government of the $3.00 premium paid for grade "A" pork during the last year?

2. What is the approximate amount that the government will be called upon to pay to hog producers now that the said premium has been reduced to $2.00 for the year affected by this change?

Answer by: **Mr. Jorgenson:**

1. Calendar year—$6,317,565—1961.

2. Estimated calendar year—$6,100,226—1962.

POULTRY IMPORTS

Question No. 229—**Mr. Clermont:**

1. From September 1961 to August 1962, what quantities of roasting chicken, poultry, turkey and parts thereof have been imported?

2. During the same period, how many permits have been delivered with respect to the following imports from the United States: roasting turkey, large size turkey, parts of turkey, poultry and parts thereof, roasting chicken; and what quantities were provided for by the said permits?

Answer by: **Mr. Nesbitt:**

1. Available statistics on imports of poultry during the period September 1961 to May 1962 (latest statistics available) are as follows:

Class	lb.
Chickens and fowl, eviscerated (class 2247)	2,207,552
Turkeys, eviscerated (2248)	1,539,713
Poultry, eviscerated n.o.p. (2249)	1,135,492
Chickens and fowl, dead n.o.p (2255)	1,176,260
Poultry, dead n.o.p. (2256)	nil

2. From September 1961 to August 1962, 81 permits were issued for turkeys for a total quantity of 5,853,200 pounds. (These figures include 5 permits for 620,000 pounds of turkey imported for re-export to the United Kingdom as cooked or canned turkey, and not for domestic consumption). For the same period 14 permits were issued for turkey parts for a total quantity of 127,940 pounds. In the issuing of import permits no distinction is made between roasting turkeys and large size turkeys. Fowl was removed from import control on May 30, 1958. Roasting chicken was not under import control.

LOANS TO SMALL BUSINESSES

Question No. 230—**Mr. Clermont:**

Between November 1961 and June 30, 1962, and for each province, what has been the number of loans, and what amounts have been granted by chartered banks, under the provisions of section 19(1) of the Small Businesses Loans Act?

Answer by: **Mr. Grafftey:**

During the eight month period from November 1961 to June 30, 1962, the following loans were made by the chartered banks under the Small Businesses Loans Act:

Province	Number	Amount
British Columbia	236	$ 1,884,502
Alberta	155	$ 1,187,888
Saskatchewan	139	$ 1,014,799
Manitoba	101	$ 801,289
Ontario	605	$ 5,017,865
Quebec	551	$ 5,942,914
New Brunswick	37	$ 406,349
Nova Scotia	73	$ 704,528
Prince Edward Island	9	$ 93,400
Newfoundland	10	$ 77,429
Total	1,916	$17,130,963

TRANSPORT SERVICES GRANTS, MARITIME COMMISSION

Question No. 233—**Mr. Maltais:**

To what persons, companies, or organizations have the following grants been made for transport services, as listed in the 15th report of the Canadian maritime commission, dated June 29, 1962, appendix K, page 40-41: (a) Pointe au Père and Baie Comeau, $300,000; (b) Murray Bay or Rimouski and the north shore of the St. Lawrence, $35,000; (c) Prince Edward Island and the north shore of the St. Lawrence, $42,500; (d) Quebec, Natashquan, and Harrington, $492,923; and (e) Rimouski, Matane, and the north shore of the St. Lawrence, $217,522?

Answer by: **Mr. McBain:**

(a) La Cie de Navigation Nord-Sud Ltee, Rimouski, Que.

(b) Clarke Steamship Co. Ltd., Montreal, Que.

(c) La Cooperative de Transport Maritime et Aerien, Magdalen Islands, Que.

(d) Clarke Steamship Co. Ltd., Montreal, Que.

(e) La Cie de Transport du Bas St-Laurent Ltee, Quebec, (P.Q.).

SAGUENAY COUNTY, QUE.—PUBLIC WORKS

Question No. 234—**Mr. Maltais:**

1. What works are being carried out at the present time by the Department of Public Works in the county of Saguenay, including those which have been approved but not yet started?

2. Is the construction of a wharf, which had been planned for Baie Comeau for the accommodation of passengers on the ferry *Père Nouvel*, included in these works?

3. What amounts have been approved for all of the said works?

Answer by: **Mr. McCleave:**

1. Building construction: Schefferville, seismograph vault. (For Department of Mines and Technical Surveys), $49,778.06; Sept Iles, addition to Indian agency school. (For Department of Citizenship and Immigration, $307,763.49.

Harbours and rivers engineering work: Aguanish, wharf repairs, $10,600; Anse-aux-Basques, drainage system, $7,000; Baie Comeau, harbour improvements, $660,000; Bradore Bay, shed reconstruction, $4,500; Clarke City, wharf repairs, $5,000; Grandes Bergeronnes, ship channel improvements, $1,500; Les Escoumains, wharf repairs, $2,000; Lourdes du Blanc Sablon, slipway, $5,500; Magpie, wharf, $40,000; Middle Bay, slipway, $5,500; Mingan, wharf repairs, $3,000; Riviere-au-Tonnerre, towards wharf reconstruction, $50,000; Riviere-au-Tonnerre, wharf repairs, $2,500; Sacre-Coeur (Anse-des-Roches), dredging of standing berth, $4,860; St. Augustin, landing pier, $21,000; Sault au Mouton, dredging of standing berth, $13,136; Sept Iles, towards harbour improvements, $60,000; Sept Iles, repairs to retaining wall, $52,000; Sheldrake, hauling slip, $5,000; Tadoussac (Anse-a-l'Eau), wharf repairs, $5,000.

The above does not include certain minor repair works under $1,000.

The following works have been approved but not yet started: Baie Comeau, painting of shed, $1,200; Baie Comeau, wharf repairs, $1,700.

2. No.

3. Answered by part 1.

GRAIN SALES TO JAPAN

Question No. 236—**Mr. Berger:**

1. Has the Canadian wheat board received orders for wheat or other food grains from Japan in 1962 and, if so, (a) what quantity of wheat has been ordered to date (b) what quantity of other food grains has been ordered to date?

2. What quantity of (a) wheat (b) other food grains, was ordered by Japan last year?

3. What quantity of (a) wheat (b) other food grains, was supplied to Japan last year?

4. Upon what terms were (a) wheat (b) other food grains, supplied to Japan last year?

5. Has Japan at any time this year indicated that she is not prepared to place orders for (a) Canadian wheat (b) other Canadian food grains, upon the same terms as last year?

Answer by: **Mr. Jorgenson:**

1. Yes, the Canadian wheat board has received orders from the private grain trade for wheat for delivery to Japan in the 1962-63 crop year.

(a) For competitive reasons it is not the practice of the Canadian wheat board to disclose forward sales of grain to a commercial market. However, export clearances of wheat to Japan during the current crop year amounted to 7,829,137 bushels as at September 30, 1962.

(b) No other feed grains have been shipped to Japan during the current crop year.

2. (a) The quantity of Canadian wheat ordered by Japan for the 1961-62 crop year was 48,042,969 bushels, all of which was shipped.

[Mr. McCleave.]

(b) Nil.

3. (a) See 2(a) above.

(b) Nil.

4. The wheat supplied to Japan last year was sold by the private trade on straight (normal) commercial terms.

5. No.

DEATHS FROM FIRES

Question No. 238—**Mr. Laing:**

In each year since 1955 (a) how many persons died in fires in Canada (b) in the case of deaths from fire, how many occurred in areas where no bylaws exist for the inspection of heating facilities (c) how many deaths from fire were children under 18 years of age?

Answer by: **Mr. McCleave:**

(a)

1956	601
1957	638
1958	532
1959	560
1960	566
1961	556
Total (6 years)	3453

(b) This information is not available as the data is not recorded by municipal and provincial authorities.

(c) This information is not available for children under 18 years of age, but data for children under 16 years of age is as follows:

1956	233
1957	256
1958	217
1959	233
1960	232
1961	211
Total (6 years)	1382

FORT WILLIAM, ONT., FEDERAL BUILDING

Question No. 242—**Mr. Badanai:**

1. Has the government altered any plans regarding the proposed construction of a federal building at Fort William?

2. Is the proposal of building a new post office on the site formerly occupied by the armoury finalized and, if so, is the present post office building going to accommodate the unemployment insurance commission?

Answer by: **Mr. McCleave:**

1. Yes.

2. Yes. Present plans call for the unemployment insurance commission to move into the present post office building on completion of the new federal building.

PURCHASE OF BOBCAT VEHICLES

Question No. 243—**Mr. Badanai:**

1. How many bobcat vehicles have been purchased so far?

2. Is the government calling for tenders for an additional order of bobcats?

Answer by: **Mr. Harkness:**

1. An order has been placed for 20.

2. As previously announced, it is intended to call for tenders for the manufacture of an additional 480 after delivery and testing of the 20 referred to in the answer to part one of this question.

FORT WILLIAM, ONT.—SMALL BUSINESS LOANS

Question No. 244—**Mr. Badanai:**

What is the number of loans made in 1960 and 1961 under the Small Businesses Loans Act in Fort William, and the amount of each?

Answer by: **Mr. Grafftey:**

Information on loans is not assembled to provide a detailed breakdown by local areas.

FORT WILLIAM, ONT.—FARM CREDIT LOANS

Question No. 245—**Mr. Badanai:**

1. How many applications were made to the Farm Credit Corporation in the year 1961 from the constituency of Fort William?

2. How many of these applications for loans were approved, and what is the amount of each?

Answer by: **Mr. Jorgenson:**

1. The Farm Credit Corporation does not maintain statistical records on a constituency basis. However, in the district of Thunder Bay, which approximately coincides with the constituency of Fort William, five applications were received during the period April 1, 1961 to March 31, 1962.

2. Five loans were approved in the amounts of $9,700; $2,600; $11,800; $11,400; and $12,500 for a total of $48,000.

*MASTER GRAIN HANDLING PLAN

Question No. 248—**Mr. Fisher:**

1. Has the government had the opportunity to study the proposals for a "master grain handling plan" proposed by the president of the C.N.R. in a speech at Winnipeg on September 26, 1962?

2. If so, what action is the government considering, if any, to Mr. Gordon's suggestion for a "systems analysis" of the grain handling problem and his remarks that "... action is required in the form of legislation ..."? (Quotations from a script of Mr. Gordon's speech).

3. Has Mr. Gordon had face to face discussions with either the Minister of Agriculture or the Minister of Transport, or both, on his recommendations and, if so, when?

4. As a consequence of Mr. Gordon's suggestions, has the government contacted the Canadian wheat board, the western farm organizations, or the wheat pools for their views on the suggestions?

Mr. McBain:

1. As this matter is of special interest to the ministers of agriculture and transport, both ministers have read the document and have requested their officials to make a special study of the proposals.

2. If and when the government takes any action on this matter, it will be announced in the proper and usual manner.

3. The answer to part 3 is that discussions between ministers and the officers of crown corporations are privileged.

4. This matter has been discussed by the Minister of Agriculture, both formally and informally, with various interested groups over the past two years.

EAST RIVER SHEET HARBOUR, N.S.—WHARF REPAIRS

Question No. 249—**Mr. Morris:**

What was the cost of repairs and improvements to the public wharf at East River Sheet Harbour, Nova Scotia, in each of the years 1955, 1956, 1957, 1958, 1959, 1960, 1961, and 1962 to date?

Answer by: **Mr. McCleave:**

1955, Nil; 1956, $34,225.24; 1957, $50,839.83 (to complete wharf reconstruction commenced in 1956); 1958, $56.86; 1959, Nil; 1960, Nil; 1961, Nil; 1962, $3,140.

CANADIAN GOLD RESERVE

Question No. 253—**Mr. Caouette:**

1. What is the gold reserve now held as security for the Canadian dollar?

2. Does the gold standard still have any value in our country?

3. What part does gold now play in our Canadian monetary system?

4. What assets in gold are now held by Canada?

Answer by: **Mr. Grafftey:**

1. Answered by 3 and 4 below.

2. This is a matter of opinion. It is presumably of value to Canadian gold mining interests that gold can be sold internationally at established prices.

3. Gold, as part of our foreign exchange reserves, can be used to stabilize and protect the international value of our currency.

4. On September 30, 1962, the value of the gold held in Canada's official reserves was $687 millions (U.S.).

FINANCING OF PRODUCTION BY CONSUMERS

Question No. 257—**Mr. Caouette:**

1. When does the government intend to try, as an experiment, the financing of Canadian production by Canadian consumers?

2. Does the government intend in the near future to grant credit to Canadians so that our national production will permit the men, women, and children of Canada to be the first to benefit by it?

Answer by: **Mr. Grafftey:**

1 and 2. This question relates to government policy which is announced from time to time as appropriate.

QUESTIONS PASSED AS ORDERS FOR RETURNS

IMMIGRANTS POSSESSING SPECIAL SKILLS

Question No. 57—**Mr. Brewin:**

Since the coming into effect of the immigration regulations of February 1, 1962, how many immigrants have been admitted to Canada under

section 31 of the regulations as persons who, by reason of their education, training, skill, or other special qualifications are likely to be able to establish themselves successfully in Canada, and what was the nationality of persons admitted under this section, and what was the nature of the education, training, skills, or other special qualifications required in such cases?

Mr. McGee: Return tabled.

*FEDERAL TAX COLLECTIONS FROM QUEBEC POWER COMPANIES

Question No. 187—**Mr. Marcoux:**

1. What amount of taxes has been collected in 1961 by the federal government from the Quebec private power companies?
2. What amounts are expected to be collected in 1962?
3. What percentage of these amounts is given back to the province of Quebec under the federal-provincial tax agreements?

BUTTER IN STORAGE

Question No. 188—**Mr. Bernier:**

1. What is the quantity of butter held in storage at the present time?
2. Where are storage warehouses located, what quantity is there in each warehouse, and what is the monthly rental and other cost for each such warehouse?
3. Has a large quantity of butter been transformed into butter oil and, if so, how does the government intend to dispose of it?

*UNEMPLOYMENT INSURANCE APPLICANTS

Question No. 237—**Mr. Robichaud:**

What was the total number of persons registered for unemployment insurance benefits as of July 31, August 31, and September 30, 1962?

Mr. Hales: Return tabled.

NATIONAL PARKS

Question No. 240—**Mr. Laing:**

1. In respect of each of the national parks of Canada (a) what is the name (b) when was it established (c) in what province is it located (d) what has been the total capital investment (e) what has been the operating profit or loss in the years 1955 to present (f) how many: (i) vehicles (ii) persons, entered each of the national parks in the years 1955 to the present?
2. Have any negotiations taken place between the government of Canada and the government of the province of British Columbia toward establishment of a national park on the Pacific coast?

UNEMPLOYMENT STATISTICS

Question No. 255—**Mr. Caouette:**

According to the latest reports available, how many registered unemployed are there (a) in Canada (b) in Quebec (c) in Rouyn-Noranda (d) in Val d'Or?

Mr. Hales: Return tabled.

MOTIONS FOR PAPERS

ELECTION EXPENSES RETURNS

Motion No. 1—**Mr. Knowles:**

That an order of the house do issue for a return showing the total amount of election expenses on behalf of each candidate in the general election of June 18, 1962, by constituencies, as indicated in the return respecting election expenses submitted by the official agent of each candidate, as required under the provisions of section 63 of the Canada Elections Act; and showing also the names of any candidates, by constituencies, on whose behalf election expense returns have not been submitted.

[Mr. Brewin.]

Motion agreed to.

DRUG THALIDOMIDE

Motion No. 2—**Mr. Knowles:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence between the federal government, including any department, branch or directorate thereof, and drug companies, other governments and medical personnel or associations, dated since January 1, 1957, regarding the drug thalidomide (or kevadon), and also any memoranda or reports concerning the said drug in the possession of the government.

Mr. Monteith: I am prepared to accept this motion subject to the usual reservations concerning communications within my department and with other departments and, of course, it will be necessary to correspond with the provincial governments as to the tabling of any correspondence with them.

Mr. Speaker: Subject to those reservations, is it the pleasure of the house to adopt the motion?

Motion agreed to.

DAWSON CITY GOLD RUSH FESTIVAL

Motion No. 3—**Mr. Fane:**

That an order of the house do issue for a copy of all correspondence and documents dealing with the gold rush festival exchanged between the Minister of Northern Affairs and National Resources or officials of his department and the chairman of the gold rush festival committee or the president of the Dawson city festival foundation.

Motion agreed to.

RED LAKE INDIAN RESERVE—REPORT OF SURVEY

Motion No. 4—**Mr. Howard:**

That an order of the house do issue for a copy of the report made by W. J. Morris of the University of Manitoba regarding a survey of conditions at the Red Lake Indian reserve.

Motion agreed to.

MRS. DOROTHY DE NYS

Motion No. 5—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams and other documents exchanged between the government or any department, branch, or agency thereof and a Mrs. Dorothy de Nys or any other person or organization since May 1, 1955 dealing with arrears of taxes, seizure of property to satisfy those arrears, transfer of assets and property of Mr. de Nys, and related matters.

Mr. Flemming (Victoria-Carleton): I have a statement to make in connection with this motion. It is to the effect that to comply with this request would involve a disclosure with respect to the affairs of persons which would be contrary to public policy. Moreover, the secrecy provisions of section 133 of the Income Tax Act operate to preclude the taxation division from furnishing any information of this nature. I therefore trust the motion will be withdrawn.

Mr. Howard: In view of the reference to the statutory prohibition, I request permission to withdraw the motion.

Order discharged and motion withdrawn.

PETERBOROUGH, ONT. AIRPORT SERVICES

Motion No. 6—**Mr. Fisher:**

That an order of the house do issue for copies of all correspondence, reports, etc. relating to the provision of airport services for Peterborough, Ontario, that have been exchanged between the government, including DOT and the Prime Minister's office, and any other persons or organizations since January 1, 1962.

Motion agreed to.

EXCHANGE RESERVES

Motion No. 7—**Mr. Lewis:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence between the government of Canada or any minister, department or agency thereof and the international monetary fund, the export import bank, the federal reserve bank and the Bank of England concerning Canada's exchange reserves, dated since May 1, 1962, and any documents or memoranda referred to in such correspondence or otherwise exchanged between the government and the institutions named herein.

Mr. Nowlan: Mr. Speaker, I have not had an opportunity of discussing this matter with the hon. member. I wonder whether he would allow it to stand until I discuss it further with him.

Mr. Speaker: The minister has made the request that the motion stand. Is the hon. member prepared to let it stand?

Mr. Lewis: Mr. Speaker, my curiosity, if nothing else, makes me agree.

Motion stands.

SASKATCHEWAN INDIANS—REPORTS OF SURVEY

Motion No. 8—**Mr. Howard:**

That an order of the house do issue for a copy of all reports of Mr. Joseph Dreaver who was employed to survey the Indians of Saskatchewan in respect of their reactions and recommendations concerning the findings of the joint committee of the Senate and House of Commons on Indian affairs.

Mr. Bell (Carleton): Mr. Speaker, the particular written report to which this motion applies has not been received by the government and is not now expected until the month of December. In view of that fact, I wonder whether my hon. friend would be prepared to withdraw the motion at this time, without prejudice to his right to again place it on the order paper in the new year.

Mr. Howard: I should be glad to, Mr. Speaker, providing we are still here in the new year.

Order discharged and motion withdrawn.

CORRESPONDENCE RESPECTING CIVIL SERVICE PAY INCREASES

Motion No. 10—**Mr. Knowles:**

That an order of the house do issue for a copy of all correspondence, and any records of discussions, exchanged between the government or any minister thereof and the civil service federation of Canada, the civil service association of Canada and the professional institute of the public service of Canada, dated since June 18, 1962, regarding (a) pay increases in the public service, and (b) negotiating procedures and ways of resolving differences arising therefrom.

Mr. Nowlan: Mr. Speaker, I am prepared to accept this motion with the exception of the records of discussions, which I am instructed are privileged. Otherwise I accept the motion.

Mr. Knowles: That would be satisfactory, Mr. Speaker.

Mr. Speaker: Subject to the reservation made by the minister and accepted by the proposer of this motion, is it the pleasure of the house to adopt the motion?

Motion agreed to.

CANADIAN LUMBER EXPORTS TO U.S.

Motion No. 11—**Mr. Laing:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence between any and all departments of the government of Canada and all governmental departments and agencies in the United States dealing with the export of Canadian lumber to the United States.

Mr. Green: Mr. Speaker, I ask that this motion stand.

Mr. Speaker: The minister has asked that the motion stand. Is that acceptable?

Mr. Laing: I will say "Oh, all right".

Motion stands.

FOREIGN EXCHANGE HOLDINGS

Motion No. 12—**Mr. Turner:**

That an order of the house do issue for a copy of a table showing the changes in the official holdings of gold and foreign exchange, including United States dollars, held in the exchange fund

account and Bank of Canada and showing "the total amount of exchange delivered to the market from the sales of foreign exchange", day by day, from April 9 to June 24, 1962, inclusive.

Mr. Nowlan: Mr. Speaker, I would ask that this notice of motion be transferred for debate.

Mr. Speaker: Pursuant to standing order 47, the motion is transferred to notices of motions (papers).

ROAD TO RESOURCES, NORTHWESTERN ONTARIO

Motion No. 13—**Mr. Pickersgill (for Mr. Benidickson):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence since January 1, 1962, between the government of Canada and the government of Ontario respecting a proposed road to resources out from the Werner-Gordon lakes nickel mining territory and referred to by the Minister of Northern Affairs and National Resources on February 28, 1962, *Hansard* page 1339.

Mr. Dinsdale: Mr. Speaker, I accept this motion subject to the concurrence of the government of Ontario.

Mr. Pickersgill: I wonder if I could ask to have the motion stand in that case, so the minister could have an opportunity to get the concurrence before it is put to the house?

Mr. Speaker: The request is made that the motion should stand.

Motion stands.

MINUTES OF NATIONAL PRODUCTIVITY COUNCIL MEETINGS

Motion No. 14—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the minutes of all meetings of the national productivity council.

Mr. Hees: Mr. Speaker, I ask that this motion be transferred to notices of motion for debate.

Mr. Speaker: Pursuant to standing order 47 this motion is transferred to notices of motions (papers).

CERTIFICATE RESPECTING SURCHARGE ORDER IN COUNCIL

Motion No. 15—**Mr. Knowles:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the certificate, approved by the Minister of Justice and signed by the Deputy Minister of Justice, certifying that the surcharge on imports order, P.C. 1962-902, dated June 24, 1962, was examined as required by the Canadian bill of rights, also for a copy of any report or memorandum attached to the said certificate or transmitted to the clerk of the privy council, and also for a copy of the certified copy of the said order, showing any signatures or initials thereon.

[Mr. Turner.]

Mr. Fleming (Eglinton): Mr. Speaker, there was no such report or memorandum, and the law does not require it. What the law does require is that the deputy minister of justice sign a certificate in a form approved by the minister that the proposed regulation has been examined as required by the Canadian Bill of Rights. The deputy minister of justice completed the required certificate and it was attached to a copy of the order in council in compliance with the law. There is no objection to the production of a copy of the order and the certificate. Subject to these remarks, Mr. Speaker, the motion is acceptable.

Mr. Speaker: Subject to the reservations in the remarks of the minister, is it the pleasure of the house to adopt the said motion?

Motion agreed to.

CORRESPONDENCE RESPECTING SURCHARGE ORDER IN COUNCIL

Motion No. 16—**Mr. Martin (Essex East):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of correspondence or any documents exchanged between the Prime Minister or the Minister of Finance or any other minister of the crown and officers of the Department of Justice or the privy council or any other government department or agency on the subject of surcharge and imports order, P.C. 1962-902, dated June 24, 1962, and the amendment to the surcharge and imports order, P.C. 1962-987, dated July 11, 1962, and the import control list as amended by P.C. 1962-903, dated June 24, 1962, with particular reference to the legality of such orders.

Mr. Fleming (Eglinton): Mr. Speaker, all the documents referred to in this notice of motion are clearly privileged under well established principles and therefore cannot be produced. I would request the hon. member accordingly to withdraw his motion. If he is unwilling to do so, then obviously the question should be debated and in that event I would request that it be transferred to notices of motion, for debate.

Mr. Martin (Essex East): Mr. Speaker, this is one of the rare occasions when I agree with the minister. The matter should be transferred under standing order No. 47 for debate.

Mr. Speaker: Pursuant to standing order 47 this motion is transferred to notices of motions (papers).

CANADIAN NATIONAL RAILWAYS PENSIONS

Motion No. 17—**Mr. Knowles:**

That an order of the house do issue for a copy of all communications, dated since April 13, 1962, received by the Prime Minister, relating to the subject of pensions of employees and former

employees of the Canadian National Railways, and for a copy of the replies thereto of the Prime Minister.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS PENSIONS

Motion No. 18—**Mr. Knowles:**

That an order of the house do issue for a copy of all communications, dated since April 13, 1962, received by the Minister of Transport, relating to the subject of pensions of employees and former employees of the Canadian National Railways, and for a copy of the replies thereto of the Minister of Transport.

Motion agreed to.

COMBINES INVESTIGATION RESPECTING DRUGS

Motion No. 19—**Mr. Knowles:**

That an order of the house do issue for a copy of all correspondence, letters, memoranda, etc., dated since May 1, 1962, exchanged between any of the commissioners of the restrictive trade practices commission and the Minister of Justice, and/or the deputy minister of justice, concerning the inquiry, study and anticipated report under section 42 of the Combines Investigation Act on the manufacture, distribution and sale of drugs.

Mr. Fleming (Eglinton): Mr. Speaker, there are no such correspondence, letters, memoranda, etc., and I suggest to the hon. member that the motion be withdrawn.

Mr. Knowles: If there is nothing, there is nothing to move for.

Order discharged and motion withdrawn.

CORRESPONDENCE WITH RESTRICTIVE TRADE PRACTICES COMMISSION

Motion No. 20—**Mr. Knowles:**

That an order of the house do issue for a copy of all letters, dated since August 9, 1962, from the Minister of Justice to the chairman and/or other members of the restrictive trade practices commission, and also a copy of all letters, since the same date, from the chairman and/or other members of the said commission to the Minister of Justice.

Mr. Fleming (Eglinton): Mr. Speaker, save as to letters that are confidential and are accordingly privileged, the motion is acceptable.

Mr. Knowles: Would the minister indicate what types of letters are confidential and privileged?

Mr. Fleming (Eglinton): I received one letter from the chairman of the commission which was marked "personal and confidential". I replied to that, so obviously those two letters would be privileged. There are two other letters, which were not so marked, which I wrote, one to the chairman and the other to a member of the commission, and I am quite prepared to produce them.

Mr. Knowles: Thank you. Those are the ones I want.

Mr. Fleming (Eglinton): Yes, that is what I thought.

Mr. Speaker: Subject to the reservations of the minister, is it the pleasure of the house to adopt the said motion?

Motion agreed to.

CORPORATIONS AND LABOUR UNIONS BILL

Motion No. 21—**Mr. Howard:**

That an order of the house do issue for a copy of all briefs, letters, and submissions presented to the government or any agency or branch thereof, since January 22, 1962, dealing with Bill C-38 of the fifth session of the twenty-fourth parliament of Canada; namely, the corporations and labour unions returns bill.

Mr. Fleming (Eglinton): The motion is acceptable, Mr. Speaker.

Motion agreed to.

METHOD OF AMENDING CONSTITUTION

Motion No. 22—**Mr. Brewin:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence exchanged between the Minister of Justice and the attorneys general or other provincial ministers regarding the method of amending the constitution of Canada, since April 2, 1962, when sessional paper 227 containing such correspondence up to that date was filed.

Mr. Fleming (Eglinton): Subject to the consent of the attorneys general of the various provinces the motion is acceptable, Mr. Speaker.

Mr. Speaker: Subject to the reservations as indicated by the minister, is it the pleasure of the house to adopt the said motion?

Motion agreed to.

NATIONAL DEFENCE

NUCLEAR WEAPONS—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister whether the government contemplates any change in the present position regarding the acquisition of nuclear weapons or nuclear warheads for Canada's armed forces.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there has been no change in the attitude of the government since I made a statement in the house on February 26 last.

Inquiries of the Ministry

Mr. Pearson: I have a supplementary question, Mr. Speaker. I asked the Prime Minister whether the government contemplated any change in the near future.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I said that was the policy at the moment. I am not going to contemplate the future. However, the position is as stated last February.

Hon. Paul Martin (Essex East): I have a supplementary question, Mr. Speaker. In view of the reply of the Prime Minister does he not think—

Some hon. Members: Order.

Mr. Martin (Essex East): Does the Prime Minister not think that he ought to direct government policy in this regard to the attention of the Minister of National Defence?

Mr. Speaker: Order. I do not think I need to comment on the nature of the supplementary. It may be an appropriate question at some other time. However, with great deference to the hon. member I would ask him just to reflect on the nature of supplementaries in so far as this is concerned.

Mr. Martin (Essex East): I rise on a point of order, Mr. Speaker. The right hon. gentleman was asked a question regarding the government's policy on nuclear weapons, and the Prime Minister stated what he believed government policy to be. I was directing the Prime Minister's attention to the fact that one of his ministers has been speaking throughout this country in a vein contrary to the declared policy of the government.

Mr. Fleming (Eglinton): Nonsense.

Mr. Martin (Essex East): Surely that is proper by way of a supplementary question addressed to the Prime Minister.

Mr. Speaker: Order. I think the hon. member, in speaking on the point of order, has confirmed the view I indicated as to his supplementary, namely that he was advancing arguments or his opinion on the question.

Mr. Fleming (Eglinton): And a very poor argument.

Mr. Harkness: And a completely fallacious one.

[*Later:*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I address my question to the Prime Minister. In view of answers given today in this house and recent press reports that the government is ready to announce its decision to acquire nuclear weapons for its armed forces in the near future, will the Prime Minister arrange for a debate in the house on this urgently important subject in order that the people of Canada through their representatives can be fully acquainted with the issues at stake and have a say in this vital decision before it is finally made?

Mr. Diefenbaker: Mr. Speaker, whenever the first supply motion takes place there will be the fullest opportunity to discuss this or any other matter.

INQUIRY AS TO STRENGTH OF ARMED FORCES ESTABLISHMENT

On the orders of the day:

Mr. C. M. Drury (St. Antoine-Westmount): I should like to direct a question to the Prime Minister. Yesterday, as I understood his remarks, he stated he had received some indications that the Soviet union intended to precipitate further aggression in Berlin. In the light of this, would the Prime Minister say whether it is the government's intention in the near future to fill out or fill up the establishment of the armed forces to the ceiling set by the government about a year ago, as they did the last time?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, in that connection I think perhaps I had better point out to the hon. member and to the house that the numbers in the armed forces at the present time are very considerably increased over what they were a year ago. On August 31, 1961, the total of the regular forces, navy, army and air force, was 119,440 odd. On August 31 of this year the number was 126,760 odd, and the militia has increased from 45,000 odd to 67,000 odd.

ESQUIMALT, B.C.—REGULATIONS RESPECTING POLITICAL ACTIVITIES OF CIVILIAN EMPLOYEES

On the orders of the day:

Hon. D. S. Harkness (Minister of National Defence): On Monday last, Mr. Speaker, the hon. member for Nanaimo-Cowichan-The Islands asked a question relating to a notice having been posted at the dockyard at Esquimalt. This was alleged to have been a section of the civilian personnel administrative and accounting manual, and according to the hon. member the substance of the notice was to the effect that any civilian employee was prohibited from contributing to any funds of any political party on or off the premises, or taking part in any partisan activity on or off the premises. I said at that time that I would look into the matter.

I have now been informed that the notice in question was a direct quotation from section 61 of the Civil Service Act. The relevant part of section 61 reads as follows:

No deputy head or employee shall contribute, receive, or in any way deal with any money for the funds of any political party.

As the house is aware, the Civil Service Act was passed in the house unanimously on September 20, 1961.

FINANCE

ONTARIO—INQUIRY AS TO LEGISLATION TO LIMIT INTEREST

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to address a question to the Minister of Finance. I apologize for not having been able to give him proper notice. It arises out of the decision yesterday by the Ontario supreme court that the Ontario unconscionable transactions relief act is ultra vires. Can the minister say whether he has under consideration legislation to protect the citizens of Ontario as well as others from the exhorbitant interest rates being charged by certain lending firms.

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, as the hon. member states, the decision came down only yesterday. The hon. member sent me over a copy of the newspaper a few moments ago. The government has given no consideration at all to the result of the decision. There has been no consideration given at the moment to the matter of legislation concerning interest rates.

HEALTH AND WELFARE

MEASURES TO COUNTERACT RADIOACTIVE FALL-OUT

On the orders of the day:

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, in view of the announcement made this afternoon in this house by the Minister of National Health and Welfare of the sharp increase in radioactive fall-out in Toronto for the month of September, will the minister inform this house whether his expert scientific committee on radioactive fall-out have any national plan for countermeasures just in case radioactive fall-out should reach a hazardous and dangerous level?

Hon. J. W. Monteith (Minister of National Health and Welfare): Yes, Mr. Speaker, a plan has been under study for some months.

PRIVILEGE

MR. CAOUETTE—ATTENDANCE AT MEETING IN TORONTO

On the orders of the day:

Mr. Real Caouette (Villeneuve): Mr. Speaker, I rise on a question of privilege.

Last night I was in the good city of Toronto addressing the junior board of trade, where I had 600 people attending. I was told that the leader of the Liberal party a few weeks ago had only 300. This proves the superiority of Social Credit over the Liberal party.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. While the hon. member may derive some satisfaction from the information which he has proffered to the house, I respectfully submit to him that he has not suffered any infringment of his privilege on the occasion, and therefore his whole question of privilege is quite out of order.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege. I think I have a right to inform the hon. gentleman that I was not in Toronto two weeks ago.

COMBINES

REQUEST FOR EXTENSION OF SERVICE OF BOARD MEMBERS

On the orders of the day:

Mr. A. J. P. Cameron (High Park): Mr. Speaker—

(Translation):

An hon. Member: The jokers show no respect for truth.

(Text):

Mr. Speaker: Order. If certain members would contain themselves the Speaker would be prepared to listen to an hon. member who seeks to pose a question.

Mr. Cameron (High Park): —I should like to direct a question to the Minister of Justice, of which I have already given him notice. Will the government give consideration to the advisability of passing an order in council extending the tenure of office of retiring members of the restrictive trade practices commissions for sufficient time to allow them to complete important and urgent reports of public importance, based on established precedents in extending the term of office of a former chief justice of the Supreme Court of Canada and of retiring members of the tariff board?

Mr. Speaker: Order. I respectfully submit to the hon. member that in numerous ways he has transgressed standing order 39. I imagine he would like to look at his question in the light of that standing order.

NATIONAL GALLERY

AUTHENTICATION OF PAINTINGS IN CHRYSLER COLLECTION

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): I should like to direct a question to the Min-

ister of Citizenship and Immigration. I apologize to him for the fact that sufficient notice was not given. Has the national gallery of Canada taken any steps, in light of the serious accusations levelled against it that it is carelessly lending the weight of its prestige to unauthenticated and perhaps spurious paintings displayed in the Chrysler collection, to authenticate them?

Hon. Richard A. Bell (Minister of Citizenship and Immigration): Mr. Speaker, may I say to the hon. lady that while I am a connoisseur of beauty, my talents do not extend to the point of enabling me to be an arbiter of the authenticity of works of art. The opportunity to display the Chrysler collection was accepted by the national gallery in view of the fact that this collection is known as one of the outstanding private collections of paintings in the world.

The national gallery reaffirms its gratitude to Mr. Walter P. Chrysler and Mrs. Chrysler for their generosity in making available to the Canadian public a collection of high artistic and intrinsic values. The memorandum of agreement signed by the gallery involved an undertaking to hang the entire collection offered by Mr. and Mrs. Chrysler.

Since the collection was exhibited in the gallery some doubt has been expressed in the United States among certain art critics as to the authenticity of a certain few of the works of art displayed. It is the judgment of the director, confirmed by the board of trustees at a meeting today, that it would not be appropriate for the national gallery to become involved in the controversy concerning the alleged doubtful attributions.

Mr. Speaker: I think both the question and the answer have confirmed my view that both of them were quite out of order in many ways at this time, the question in offering opinions and putting forward unsubstantiated views and the answer, of course, if I may say so, in being very lengthy and also in expressing opinions.

(Translation):

HOUSE OF COMMONS

REQUEST FOR TRANSLATION OF WORK BY BEAUCHESNE

On the orders of the day:

Mr. J. P. Cook (Montmagny-L'Islet): Mr. Speaker, I have a question for the Prime Minister. Can he tell us whether his administration has given consideration to the request made by certain members to the effect that a French translation of Beauchesne's work be made?

[Miss LaMarsh.]

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I will take the question as notice.

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

(Text):

HIGHWAYS

NORTHWESTERN ONTARIO—INQUIRY AS TO ROAD TO RESOURCES

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Northern Affairs and National Resources. Notice of intent has been sent to him. Has a start been made on the 220-mile road to resources across northwestern Ontario which the minister announced last June and, if so, how many miles of it have been completed?

Mr. Speaker: Order. I do respectfully submit to the hon. member that his question is wildly out of order at this time.

CANADIAN NATIONAL RAILWAYS

PROPOSED ENTRY INTO PRINTING FIELD

On the orders of the day:

Mr. Romuald Bourque (Outremont-St. Jean): I should like to direct a question to the Minister of Transport. I apologize for not giving him notice. Has the minister read the submission made by the graphic arts industries association to Mr. Donald Gordon concerning the declared intention of Canadian National Railways to establish a printing plant in Winnipeg for the production of commercial printing?

Mr. Speaker: Order. There have been a series of questions in this regard which have been answered by the minister, and if the hon. member will consult *Hansard* I think he will see the answers that were given by the minister. In any event, I do not think the matter is of such great urgency that a question should be asked on orders of the day.

Mr. Bourque: I understand the machinery is going to be bought this week, and it will be too late after it is bought.

Mr. Speaker: Right there the hon. member is proffering information.

SEARCH AND RESCUE

NORTHWEST TERRITORIES—ASSISTANCE IN SEARCH FOR PLANE

On the orders of the day:

Mrs. Isabel J. Hardie (Northwest Territories): Mr. Speaker, I wish to direct a

question to the Minister of Transport of which I have given him notice. In view of the urgent request from my constituency in the North-west Territories where a plane carrying a pilot and three passengers has been lost for some time, what steps has the department taken to assist in the search for this plane?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I want to thank the hon. lady for giving me notice of her intention to ask this question, and I should like to answer that all government search and rescue responsibilities are co-ordinated under the Department of National Defence. Therefore I regret that I cannot give her the information requested; but if she will direct her question to the Minister of National Defence I am sure he can give an answer.

Mrs. Hardie: May I ask a supplementary question?

Mr. Speaker: Under the circumstances I will permit the question to be redirected to the Minister of National Defence.

Mrs. Hardie: This is really not a military matter; it is a civilian plane.

Mr. Speaker: The Minister of Transport has given the answer that these matters do not come under his jurisdiction but that they come under the jurisdiction of the Minister of National Defence. If the hon. member wishes to put her question to the Minister of National Defence I will permit her to do so, but to argue the point about the jurisdiction of the Minister of Transport would, of course, be quite out of order.

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, there has been a very extensive search carried on by the R.C.A.F. search and rescue organization in this case. I would be very glad to give a full report to the hon. member either in written form or by way of a further report in the house if she would like that.

Mrs. Hardie: May I ask a supplementary question. What steps are taken by the Department of Transport to reimburse private operators who have been searching for this plane?

Mr. Speaker: I regret that this is not a true supplementary. It is asking for detailed information, and I suggest to the hon. member that she could place her question on the order paper and undoubtedly get a very full answer in a short time.

Inquiries of the Ministry

BROADCASTING

RULING OF BROADCAST GOVERNORS ON FREE POLITICAL TIME

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I direct my question to the Secretary of State and I apologize for not having been able to give prior notice. Has any ruling been made by the board of broadcast governors relating to the principles governing the allocation of free political broadcast time, which matter was recently referred to the board by the Canadian Broadcasting Corporation?

Hon. G. E. Halpenny (Secretary of State): Mr. Speaker, I do not know, but I will check with the board of broadcast governors.

HOUSING

REQUEST FOR FINANCING OF EXISTING HOMES

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I should like to direct a question to the Minister of Public Works. In view of its obvious importance and urgency to the related industries, and the advisability of the country knowing the government's current thinking on the subject, will the minister say whether the government is now giving any consideration to the request of the national house builders association, as restated again yesterday, that N.H.A. mortgages should be extended to existing homes on the same terms as are now available on new construction only?

Hon. E. D. Fulton (Minister of Public Works): Mr. Speaker, I think this question asks for an indication of government policy, to which type of question I think my hon. friend also knows the answer; but I should tell him that just today I have seen personally two members of the executive of the national house builders association. However, it would probably be a little too early for me to be in a position to announce policy.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Prime Minister. Is it a fact that he intends to proffer his resignation as Prime Minister in the near future?

Inquiries of the Ministry

(Translation):

CANADIAN NATIONAL RAILWAYS

QUEBEC—PROPOSED REDUCTION IN SERVICE

On the orders of the day:

Mr. Robert Beaule (Quebec East): Mr. Speaker, I wish to direct a question to the Minister of Transport and I apologize for not having sent him a notice.

Can the minister tell us if he can take steps in order that the train service be maintained between Quebec and Richmond after October 28 next?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I shall forward the inquiry to the Canadian National authorities.

(Text):

BRITISH COLUMBIA

REQUEST FOR ADDITIONAL WINTER WORKS TO REPAIR STORM DAMAGE

On the orders of the day:

Mr. Barry Mather (New Westminster): I should like to direct a question to the Minister of Labour. In view of the successful start made this week on the winter works program, and in view of the heavy toll taken in Vancouver and the lower mainland area as a result of the storm, will the minister consider applications from that area for additional winter works financing for reconstruction purposes?

Hon. Michael Starr (Minister of Labour): We accept any project that is approved by the provincial government which comes within the scope of the plan set up under the municipal winter works program.

[*Later:*]

Mr. T. S. Barnett (Comox-Alberni): On Monday last, Mr. Speaker, I directed a question to the Minister of Public Works. I welcome him back to the house from his foray in British Columbia. I should like to ask him if he can tell us the nature and extent of any damage in that province caused by the recent storm?

Hon. E. D. Fulton (Minister of Public Works): In view of the widespread nature of federal property in British Columbia, and in that area, I have not been able to receive a detailed report, but I expect to have one very shortly. I also hope, Mr. Speaker, that my efforts to prevent there a man-made disaster will be attended with success.

Mr. Barnett: Mr. Speaker—

Mr. Speaker: Has the hon. member a real supplementary question?

[Mr. Howard.]

Mr. Barnett: The main purpose of my question was to find out from the minister whether or not there was in fact any serious damage as the result of this storm. I did not expect—

Mr. Speaker: Order. The hon. member, who has been connected with this house for some time readily understands, I believe, that he cannot comment upon the nature of the reply he gets, nor can he raise a point under the guise of a supplementary.

(Translation):

CRIMINAL CODE

INQUIRY AS TO INCREASE IN COST

On the orders of the day:

Mr. P. A. Boutin (Dorchester): Mr. Speaker, my question is directed to the Minister of Finance, and it follows a letter received by law students of Laval University. Could the minister tell us why the cost of the Criminal Code has been increased by $2 this year?

Mr. Speaker: In view of the fact that I explained rather at length, yesterday, what kind of questions could be put on the orders of the day, I am quite surprised that the hon. member should ask such a question at this stage, for it is not at all in order.

(Text):

CANADIAN BROADCASTING CORPORATION

ALLEGED RESTRICTIONS APPLIED TO BOTH NETWORKS

On the orders of the day:

Hon. G. E. Halpenny (Secretary of State): A few days ago, Mr. Speaker, the hon. member for Lapointe asked a question regarding the restrictions imposed on the C.B.C. network under the austerity program. The answer to his first question, as to whether it applied to the French and English networks, is that it applies to both networks.

The answer to part 2 of the question is, no, the Montreal staff covers the Quebec election. The English network sent one person for a few days to prepare a news magazine program.

The answer to the third part of the question is that the English network team was in Mississippi to originate a live broadcast and obtain film footage for a French network program broadcast from Montreal. The Montreal reporter was there to arrange and record interviews required for the French program. There were a limited number of these because of the language factor. The French network also made use of its Washington correspondent

to interview a representative of the Mississippi region in Washington. The cameramen with the broadcast team were filming material for both English and French programs.

Mr. Speaker: In view of the complexity of the answer, my original view that the question was one that was better for the order paper is confirmed.

TRADE

GATT—INQUIRY AS TO CANADIAN REPRESENTATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister whether he can give the house the name of Canada's delegate to the twentieth session of the contracting parties of GATT, which opens in Geneva I believe next Tuesday?

Hon. George H. Hees (Minister of Trade and Commerce): Yes, Mr. Speaker. It will be Mr. J. H. Warren, assistant deputy minister of the Department of Trade and Commerce.

DESTINATION OF WHEAT SOLD TO CHINA

On the orders of the day:

Mr. R. B. Cowan (York-Humber): I have a question of some urgency, Mr. Speaker, which I would like to direct to the Minister of Agriculture. Can he assure this house that the Canadian wheat which he has sold to China has indeed reached the communist armies so that their attack on the commonwealth of nations—

Mr. Speaker: Order. In many respects the question transgresses the rules and is out of order.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO REPORT OF COMMISSION

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): I should like to direct a question to the Minister of Labour. In view of the drastic depletion of the unemployment insurance fund, can the minister tell the house whether he has as yet received a draft copy of the Gill committee report which, I presume, is dealing with this important question?

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker.

THE BUDGET

INQUIRY AS TO INTRODUCTION OF SUPPLEMENTARY BUDGET

On the orders of the day:

Mr. E. J. Benson (Kingston): I should like to address this question to the Minister of Finance. Does the Minister of Finance intend to bring down a supplementary budget for the year 1962-63 before the Christmas recess?

Mr. Speaker: Order. I think there have been sufficient questions in this regard that you could almost say, well, who asked what date. I think yesterday or the day before there was quite a full exchange between the Minister of Finance and the hon. member for Davenport, so that the question has been thoroughly canvassed.

Mr. Gordon: On a point of order—

Mr. Stanley Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, I should like to say that I have been involved in that questioning also and I must say that if ever there was reason for a supplementary, this is it. The questions and answers have not made it clear what is going to happen. I think the Minister of Finance should be given the opportunity of answering this question as a supplementary to try to clarify his previous attempts to answer.

Mr. Hellyer: It is deliberate fuzz.

Hon. George C. Nowlan (Minister of Finance): I do not have to clarify any prior answer. Anyone who has intelligence and who can read should understand.

Mr. Walter L. Gordon (Davenport): On the point of order, Mr. Speaker, I say that I think the minister is correct in saying that anybody with reasonable intelligence can understand. I understand that he does not know when he is going to bring in a budget.

Mr. Speaker: Order. I would suggest to hon. members that we can get along with the business of the house much easier if, under the guise of points of order or points of privilege, we do not get these personal opinions which have no bearing on the business of this house.

NATIONAL PARKS

ALLEGED ATTACK ON SENIOR OFFICIAL BY MEMBER

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Northern Affairs and National Resources if, in accordance with well established tradition, he will speak up in defence of a distinguished civil servant under his charge, Mr. Coleman, the director of national parks who has been maliciously attacked by a member of this house, the hon. member for Bow River (Mr. Woolliams)?

Mr. Speaker: Order. I think the hon. member is quite aware that in, I believe, at least four instances he expressed rather definite opinions in his representations.

Mr. Pickersgill: It should be replied to.

Mr. Martin (Essex East): Well, Mr. Speaker, I do not know what Your Honour meant by the remarks you have made. I asked a straightforward question in which there was no—

Some hon. Members: Order.

Mr. Speaker: All right.

Mr. Martin (Essex East): I asked a straightforward question in which I asked the minister—

Mr. Harkness: You made a lot of references.

Mr. Martin (Essex East): Mr. Speaker, in accordance with the tradition long recognized in this house and in parliaments throughout the commonwealth, when a civil servant working under a particular minister is attacked, that minister takes the earliest opportunity either to join in the condemnation or to defend that particular civil servant. That is the only thing I asked in this question.

Mr. Harkness: It was not.

Mr. Martin (Essex East): Unless Your Honour thinks my use of the word "malicious" was an expression of opinion; and if Your Honour thinks that, then I would ask Your Honour to look at the charge made by the hon. member for Bow River and see if I was not justified in my use of the word.

Mr. Speaker: The opinion of the Speaker as to the nature of the charge does not come into this at all. The hon. member did express an opinion and I would direct his attention to that. If there were no expressions of opinion we would avoid some of these complications.

Mr. Martin (Essex East): Mr. Speaker, on a point of order may I call your attention to Beauchesne at page 206 where, under paragraph (2), the following appears:

> As leader of the House of Commons, it is part of my duty to see that members of the public service, who are not in a position to speak for themselves during the course of debates which take place in this house, should be protected against any remarks in the nature of a reflection upon themselves, or references to their personal history such as the honourable member, I gather, was about to make. It must be obvious that members of the public service have to look to the administration for protection in the discharge of their duties; and if deputy ministers or leading public officials or any members of the public service are to be attacked here, in justice to them they should have the right to make reply on their own behalf from wherever they may happen to be. If that method were to be adopted with regard to the conduct of our public affairs I am afraid the public service of the country could not be carried on in the manner in which the country has a right to expect it will be carried on.

Now, Mr. Speaker, I say that if the minister of northern affairs will not rise and defend this public servant, then this is clear authority that the right hon. Prime Minister should do so.

Mr. Speaker: Be that as it may; as to the point the hon. member was trying to put by his question, it as yet does not detract from the remarks I made with regard to the way he expressed it.

Mr. Hellyer: Let us hear from the minister.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I believe the hon. member—

Mr. Fisher: Mr. Speaker, in relation to the question—

Mr. Speaker: Order. I would like to make it clear that we are on the point of order that I raised as to the expression of opinion in questions. I am not concerned so far as to whether the minister should or should not answer. That is not germane at the moment to my point.

Mr. Fisher: It is the latter point I wish to speak on.

Mr. Speaker: I had not raised a point of order as to whether the minister should or should not answer, or whether a servant of the crown has been maligned or not. I was concerned with the nature of the question, and this is quite as important as anything else in this regard so far as I am concerned.

Therefore if the hon. member is prepared to make observations on that particular point, as to the way the hon. member for Essex East has put his question, I will hear him. The minister was prepared to say something, but whether on the point of order I cannot say.

Mr. Fisher: Well, in relation to this point, Mr. Speaker, I asked two questions last week in the same period of house proceedings dealing exactly with that and, if Your Honour remembers you ruled my original question out of order because it was not urgent.

All I want to suggest in relation to the question asked by the hon. member for Essex East is that he is no more entitled to expand the right of questions than any other member of the house. It is not that I am expressing any agreement or disagreement with the intent of his question, but it seems to me that since Your Honour ruled my question out of order last week the same rule should apply now.

Mr. Speaker: In the light of the remarks I made in so far as matters of opinion being expressed are concerned, I would assume that one could infer that the question was out of order and that it definitely infringed in that regard. As to the matter of urgency, that is relevant because from one week to another the situation changes. I personally do not feel there is that much urgency at the present time that this should be raised on orders of the day.

Mr. Martin (Essex East): Do I understand, Mr. Speaker, you are now ruling my question is not in order?

Mr. Speaker: That is correct because—

Mr. Martin (Essex East): Well, Mr. Speaker, with great respect—

Some hon. Members: Order.

Mr. Speaker: —it expressed very definite opinions, in that it used the word "malicious", and if I could have the phrasing again there were other points of opinion that were expressed. The hon. member, who is an experienced member of the house, could express his question without these terms and, if it is deemed to be urgent or if the minister is prepared to answer it, or wishes to answer it, then that is up to him.

Mr. Martin (Essex East): Mr. Speaker, with great regret I appeal your ruling.

Mr. Speaker: The house has heard the decision of the Chair, from which the hon. member for Essex East has appealed to the house. All those in favour—

Mr. Pickersgill: On a point of order, Mr. Speaker, could we have the ruling read so that we will know precisely what we are voting on? I think the house has a right to know the question.

Some hon. Members: Sit down.

Mr. Speaker: My ruling was that the question as expressed by the hon. member for Essex East was out of order in that it contravened section 39, paragraph 1 of standing orders. The house has heard the decision of the Chair from which the hon. member for Essex East has appealed to the house.

All those in favour of sustaining the decision of the Chair will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

Mr. Speaker put the question as follows:

The question is an appeal to the house from a decision of the Chair as follows:

The hon. member for Essex East, having posed a question concerning the head of the parks branch of the department of northern affairs, I ruled that the question was out of order in that it included expressions of opinion and thereby contravened the provisions of paragraph 1 of standing order No. 39. Whereupon the hon. member for Essex East appeals to the house from the decision of the Chair.

Mr. Pickersgill: Mr. Speaker, I rise on a question of privilege.

Some hon. Members: Order.

Mr. Pickersgill: I am rising on a question of privilege. I raised the question when it was first posed before the house. I should like an assurance from Your Honour that the words you have just read, which I did not hear when you uttered them the first time, are in fact identical with the question which was put on the first occasion.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. If I recall aright, the hon. member for Essex East did ask me whether I was ruling the question out of order. As I remember it, my reply was yes, that I was ruling it out of order, in that it contravened paragraph 1 of standing order 39.

Some hon. Members: Correct.

Mr. Speaker: And that is all I have said.

Some hon. Members: Oh, no.

Mr. Pickersgill: Would Your Honour repeat the question?

Mr. Speaker: If hon. members will listen to the motion as prepared, I think they will see what it did say the first time. The question is an appeal to the house from a decision of the Chair as follows:

The hon. member for Essex East, having posed a question concerning the head of the parks branch of the department of northern affairs, I ruled that the question was out of order in that it included expressions of opinion and thereby contravened the provisions of paragraph 1 of standing order 39. Whereupon the hon. member for Essex East appeals to the house from the decision of the Chair.

Mr. Pickersgill: Mr. Speaker, on the question of privilege, it seems to me that there is a variation between the question as put by Your Honour before the bells were rung and—

Some hon. Members: Oh, oh.

Mr. Pickersgill: Mr. Speaker, perhaps I might be allowed to be heard on a question affecting the privileges of all hon. members.

Division

The question on which we are asked to vote inserts the words "expressions of opinion" which were not in the motion as originally put by Your Honour before the bells were rung. I maintain that the question put before us now should be in the precise terms in which it was put before us when we asked for a vote.

Mr. Speaker: I am not intending to argue the matter with the hon. member, but if he will recall I had indicated that the question contained expressions of opinion. In fact the hon. member for Essex East and the Chair exchanged views about certain words which might have been used, and it was then that I declared myself, at the request of the hon. member for Essex East, as to whether or not I was ruling the question out of order. I ruled it out of order as contravening paragraph 1 of standing order 39, and the hon. member appealed. That is all that was said.

In this regard I am quite satisfied that the hon. member for Bonavista-Twillingate had a legitimate question to ask for purposes of clarification, and I do not think it is subject to comment. Is the house ready for the question?

Some hon. Members: Question.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Aiken
Alkenbrack
Balcer
Baldwin
Barnett
Baskin
Beaule
Belanger
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Berger
Bernier
Bigg
Bourbonnais
Bradley
Brewin
Cadieu
Cameron (Nanaimo-Cowichan-The Islands)
Caouette
Cardiff
Casselman, Mrs.
Chaplin
Chown
Churchill
Clancy
Cook
Cooper
Cote
Crouse
Diefenbaker
Dinsdale
Dionne
Dumont
English
Enns
Fairclough, Mrs.
Fairweather
Fane
Fisher
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Frenette
Fulton
Gagnon
Gauthier
Grafftey
Green
Gregoire
Grills
Gundlock
Hales
Halpenny
Hamilton
Hanbidge
Harkness
Hees
Herridge
Hodgson
Horner (Acadia)
Horner (The Battlefords)
Howard
Howe
Jorgenson
Kennedy
Kindt
Knowles
Korchinski
Lamy
Langlois
Laprise
Latulippe
Leboe
Legere
Lessard (Lake St. John)
Letourneau
Lewis
Macdonald, Mrs.
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McGee
McGrath
McIntosh
McPhillips
Maltais
Mandziuk
Marcoux
Martin (Timmins)
Martineau
Mather
Millar
Monteith
Moore
More
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Nowlan
Nugent
O'Hurley
Orlikow
Ormiston
Ouellet
Pascoe
Patterson
Paul
Perron
Phillips
Plourde
Prittie
Pugh
Rapp
Ricard
Robinson
Rondeau
Roy
Rynard
Sams
Scott
Sevigny
Skoreyko
Smallwood
Smith (Calgary South)
Smith (Simcoe North)
Southam
Starr
Stefanson
Stenson
Thomas
Thompson
Valade
Vincent
Webb
Webster
Weichel
Winkler
Woolliams—147.

NAYS

Messrs:

Addison
Argue
Asselin
Badanai
Batten
Bechard
Beer
Benson
Boulanger
Bourque
Brown
Burgess
Byrne
Cadieux
Cameron (High Park)
Cantin
Cardin
Caron
Carter
Cashin
Chevrier
Clermont
Clunis
Cowan
Crestohl
Crossman
Denis
Drouin
Drury
Dube
Dupuis
Ethier
Eudes
Forgie
Foy
Garland
Godin
Gordon
Granger
Gray
Habel
Haidasz
Hardie, Mrs.
Harley
Hellyer
Honey
Laing
LaMarsh, Miss
Lamoureux
Laniel
Leduc
Legare
Lessard (St. Henry)
Loiselle
Macdonald (Rosedale)
Mackasey
Macnaughton
McLean (Charlotte)
McMillan
McNulty
McWilliam
Martin (Essex East)

[Mr. Pickersgill.]

Matheson	Robichaud
Matte	Rock
Mitchell	Roxburgh
Munro	Ryan
Nicholson	Stewart
Pearson	Tardif
Pennell	Teillet
Pickersgill	Tucker
Pilon	Turner
Richard	Wahn
Rideout	Walker—85.
Rinfret	

Mr. Robichaud: Mr. Speaker, I rise on a point of order. Before the vote is announced I wish to bring a matter to your attention and that of the house. Standing order 12, paragraph 2, reads as follows:

(2) When Mr. Speaker is putting a question, no member shall enter, walk out of or across the House, or make any noise or disturbance.

I wish to bring to your attention, Mr. Speaker, the fact that after you had put the question the hon. member for Red Deer (Mr. Thompson), the hon. member for Quebec-Montmorency (Mr. Marcoux) and the hon. member for St. Maurice-Lafleche (Mr. Lamy) entered the house and were allowed to vote.

(Translation):

An hon. Member: Cancel three of them, there are many.

(Text):

Some hon. Members: Oh, oh.

Mr. Speaker: Order. On the point of order that has been raised, may I say this. It is true that I was in the process of putting the question. However, the hon. member for Bonavista-Twillingate, having risen in his place in order to clarify in his mind and perhaps in that of other hon. members the precise circumstances which lead to the incident and the ruling I had made, received an explanation from the Speaker. Once the explanation had been given and the question had been clarified I proceeded to put the question entirely anew. The hon. members about whom the point of order is raised were then in their seats. It is therefore my opinion that they were validly in their seats at the time.

And the result of the vote having been announced: Yeas, 147; nays, 85.

Mr. Speaker: I declare the decision confirmed.

Mr. MacEachen: Mr. Speaker, I was paired with the hon. member for Cumberland (Mr. Coates). Had I voted, I would have voted against the ruling.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I rise on a question of personal privilege. I challenge the hon. member for Essex East (Mr. Martin) to show anywhere where I in the house or outside the house through the medium of the press, television or radio maliciously attacked the director of parks. I have never referred to him personally in any way, shape or form. As a matter of personal privilege I say that I made it very clear, on any occasion on which I have referred to the matter in question, that it was a matter of our differing on park policy and that there was nothing personal in any remarks I made. I challenge the hon. member to show where I maliciously attacked the gentleman in question anywhere, either inside this house or outside this house.

Mr. Speaker: Order. The hon. member may make an explanation but I would respectfully submit to him that he cannot launch a challenge to any hon. member while posing a point of privilege. He may make an explanation and the house must accept it but any question about a challenge to the hon. member for Essex East or anyone else is entirely out of order.

Mr. Martin (Essex East): Mr. Speaker, am I not allowed to give the reasons for the question that I raised?

Mr. Speaker: We are not going to get into a general debate at this stage of the day. There was an explanation made by the hon. member for Bow River and I have ruled entirely out of order any question of a challenge or seeking to put the hon. member for Essex East to the proof in this regard.

Mr. Chevrier: I rise on a question of privilege. Your Honour has allowed the hon. member to explain his position arising out of the question posed by the hon. member for Essex East.

An hon. Member: Accusation.

Mr. Chevrier: The interjection "accusation" is made, which makes it even worse. As Your Honour has listened to the hon. member, who now challenges the member for Essex East as to his veracity, it seems to me that in fairness Your Honour should hear the hon. member for Essex East substantiate his position. Otherwise Your Honour will not be dealing with equal fairness with both sides of the house.

Mr. Speaker: Does the Minister of Public Works wish to speak on the point of order?

Mr. Fulton: Yes, Mr. Speaker. I was going to make a few brief remarks, although I think most hon. members will not require to have the rule drawn to their attention. It does seem to me that it is only proper to repeat that questions or occasions of personal explanation are permitted to hon. members if their conduct has been brought into question in the house, and that is what the hon. member for Bow River did. He made a personal explanation and in the course of doing so he, as

Your Honour has ruled, erroneously issued a challenge. That Your Honour has ruled out of order; but as Your Honour pointed out, personal explanations when made must be accepted. Therefore, Your Honour having ruled that the challenge is out of order and a personal explanation having been made in answer to accusations from the other side, I submit that disposes of the matter and the personal explanation must be accepted by the member for Essex East, as it must by all other members of the house without debate.

Mr. Martin (Essex East): On the point of privilege, I will simply say that I am being denied the opportunity of meeting the challenge put to me, and since I am denied the opportunity of providing the evidence which is at the base of the question I asked the Minister of Northern Affairs and National Resources I will simply have to resort to other procedures to lay before the people what the hon. gentleman did say on this matter.

Mr. Speaker: I do not wish to repeat, but I think it is fair to comment upon the observations made by the hon. member for Laurier. I have ruled entirely out of order any challenge or calling into question by the hon. member for Bow River and putting the hon. member for Essex East to the proof thereof. If the hon. member for Essex East is permitted to substantiate the charge, then other hon. members are quite entitled to attempt to refute and we are embarked on a debate right here on orders of the day.

If the hon. member for Laurier will look into the matter of personal privilege and the statements which may be made by an individual member on orders of the day, he will see that an hon. member has a right to offer an explanation of his conduct and it is accepted as such and is not debatable. As a citation I would refer the hon. member to page 115 of Beauchesne, fourth edition, paragraph 127, section 3, in which it is said:

> When a statement is made affecting an honourable member, which he denies, Mr. Speaker thinks that the house will feel that the honourable member has a right to make an explanation on a personal matter. He will not exceed an explanation of the particular matter.

The hon. member, other than for the challenge which he made, did not in my opinion exceed an explanation of the particular matter, and I would respectfully submit that the incident should be closed.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Northern Affairs and National Resources what consideration he is giving at this time to critical views with respect to the parks policy held by the head of the national parks board, such criticisms having been advanced by the member for Bow River?

[Mr. Fulton.]

Mr. Speaker: In that regard I think the hon. member on reflection would see that his question is too wide and not in the terms that are really acceptable on orders of the day. Is the matter that urgent, that this is the only time the question can be asked? Could the question not be much more readily asked on the order paper?

Mr. Fisher: Mr. Speaker, we have had a statement in the house by the member for Bow River on a question of personal privilege in which he said he had no malice against this civil servant but he disagrees very sharply, I would take it from his remarks, with this man's views on parks policy. Since the hon. member has just acknowledged this and as he is a supporter of the minister, surely it is relevant and urgent to ask the minister if he has given consideration to these criticisms.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, if the question is relevant I would be happy to reply briefly.

Mr. Speaker: I think we are getting ourselves into a debate going back and forth, and I cannot in all conscience accept the question as being one for the orders of the day.

Mr. Fisher: I appeal your ruling.

Mr. Speaker: Those in favour of sustaining the decision of the Chair will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

Mr. Speaker put the question as follows:

> A discussion having arisen in regard to a statement by the hon. member for Bow River, and the hon. member for Port Arthur having posed a question with regard to it, I ruled the question out of order on the grounds that it was not of the type of question that could be asked on orders of the day, and the hon. member for Port Arthur appealed to the house from the decision of the Chair.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

Division

YEAS

Messrs:

Aiken
Alkenbrack
Balcer
Baldwin
Baskin
Beaule
Bélanger
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bernier
Bigg
Bourbonnais
Bradley
Cadieu
Caouette
Cardiff
Casselman, Mrs.
Chaplin
Chown
Churchill
Clancy
Cook
Cooper
Côté
Crouse
Diefenbaker
Dinsdale
Dionne
Dumont
English
Enns
Fairclough, Mrs.
Fairweather
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Frenette
Fulton
Gagnon
Gauthier
Grafftey
Green
Gregoire
Grills
Gundlock
Hales
Halpenny
Hamilton
Hanbidge
Harkness
Hodgson
Horner (Acadia)
Horner (The Battlefords)
Howe
Jorgenson
Kennedy
Kindt
Korchinski
Lamy
Langlois
Laprise
Latulippe
Leboe
Legere
Lessard (Lake St. John)
Letourneau
Macdonald, Mrs.
MacEwan
MacLean (Queens)
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McGee
McGrath
McIntosh
McPhillips
Maltais
Mandziuk
Marcoux
Martineau
Millar
Monteith
Moore
More
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Nowlan
Nugent
O'Hurley
Ormiston
Ouellet
Pascoe
Patterson
Paul
Perron
Phillips
Plourde
Pugh
Rapp
Ricard
Robinson
Rondeau
Roy
Rynard
Sams
Sevigny
Skoreyko
Smallwood
Smith (Calgary South)
Smith (Simcoe North)
Southam
Starr
Stefanson
Stenson
Thomas
Thompson
Valade
Vincent
Webb
Weichel
Winkler
Woolliams—130.

NAYS

Messrs:

Addison
Argue
Asselin
Badanai
Barnett
Batten
Bechard
Beer
Benson
Berger
Boulanger
Bourque
Brewin
Brown
Burgess
Byrne
Cadieux
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Cardin
Caron
Carter
Cashin
Chevrier
Clermont
Clunis
Cowan
Crestohl
Crossman
Denis
Drouin
Drury
Dube
Dupuis
Ethier
Eudes
Fisher
Forgie
Foy
Garland
Godin
Gordon
Granger
Gray
Habel
Haidasz
Hardie, Mrs.
Harley
Hellyer
Herridge
Honey
Howard
Knowles
Laing
LaMarsh, Miss
Lamoureux
Laniel
Leduc
Legare
Lessard (St. Henry)
Lewis
Loiselle
Macdonald (Rosedale)
MacInnis
Mackasey
Macnaughton
McIlraith
McLean (Charlotte)
McMillan
McNulty
McWilliam
Martin (Essex East)
Martin (Timmins)
Mather
Matheson
Matte
Mitchell
Munro
Nicholson
Orlikow
Pearson
Pennell
Peters
Pickersgill
Pilon
Prittie
Richard
Rideout
Rinfret
Robichaud
Rock
Roxburgh
Ryan
Scott
Stewart
Tardif
Teillet
Tucker
Turner
Wahn
Walker
Webster—103.

Mr. Speaker: I declare the decision confirmed.

Mr. MacEachen: I was paired with the hon. member for Cumberland (Mr. Coates). Had I voted, I would have voted against the ruling.

Mr. Speaker: The hour for private members' business having now arrived, we shall turn to notices of motion.

FEDERAL-PROVINCIAL RELATIONS

SUGGESTED REALLOCATION OF FINANCIAL BURDEN

Mr. David Orlikow (Winnipeg North) moved:

That, in the opinion of this house, the federal government should give leadership by convening a conference of federal, provincial and municipal authorities to review the responsibilities of each level of government and their financial ability to assume same, with a view to reallocating the heavy burden for services, such as education and welfare on a more equitable basis.

Equitable Division of Tax Burden

He said: Mr. Speaker, no question is dealt with more often in the newspapers from one end of Canada to the other than the plight of the local taxpayers and their feeling that the cost of municipal government is now exorbitant. Old age pensioners living on a fixed income complain that the increases each year are forcing them to move from homes in which they have lived for generations. Young people establishing themselves for the first time are finding it increasingly difficult to meet local taxes which can range from $250 to $400 a year for quite modest homes. Tremendous increases in local taxes are not the result of extravagance or mismanagement by local municipalities. Nor can it be argued that municipalities are rushing into new fields unthinkingly. On the contrary, local municipalities are moving too slowly in meeting their responsibilities, and they themselves know it; but they are completely hamstrung by their present needs and responsibilities.

Local taxes have doubled and tripled because of the tremendous urban growth and expansion since world war II. Municipal services, utilities such as water, sewers and power, have been expanded, as have educational plant and other community facilities. Until this century it was thought that municipal governments which possessed their own sources of taxation and other revenues were able to provide for their own needs and to finance them. But since world war II it has become obvious that services such as education, public welfare, unemployment relief and health be financed by municipal governments. Therefore we have seen increasing financial participation by provincial and federal governments in these services and in other municipal undertakings in fields such as slum clearance and low rental housing. Without such assistance the municipalities would not have been able to maintain their normal services and to begin to catch up on some—and only a little—of the backlog of needed public works which were deferred during the depression of the thirties and during world war II. But even with this aid, Mr. Speaker, municipal debt has grown from $1 billion in 1950 to over $4 billion in 1960. This debt has become a first charge on municipal revenues, and will be so for generations to come.

This tremendous change has taken place in urban Canada because municipal governments are forced to assume responsibilities never contemplated when the basic municipal tax structure was established, and this change is still going on. In 1900 the tax on property could take care of most municipal needs. The explosion in Canadian population since then and the movement of more and more people to the cities each year has meant the establishment of new and ever more costly services. These are in fact more provincial and federal in character than they are municipal. The costs are still being borne, to a great extent, by the municipal governments, but they have pushed the municipal governments to the limit.

The financial problems of local urban governments cannot be solved within the present bounds of existing municipal tax revenue structure. Municipal taxes have gone up from $483 million in 1950 to $1,349 million in 1960, an increase of almost 300 per cent. Mr. Speaker, this is not surprising at all if we examine how the municipal bill for education alone has gone up. I want to make it very clear that I for one do not think we are spending too much money on education. If anything, we are spending much too little. In fact, there are few, if any, countries in the western world who are spending as little on education as are we in Canada. If you compare five cities in five different provinces in the last ten years, you see a very interesting and real problem. In the city of Vancouver in 1951 the local municipality paid $7 million for education; in 1961 the cost had risen to $16.5 million. In the city of Winnipeg in 1951 the local government paid $5.8 million for education; in 1961 $14.1 million. In Edmonton the cost of education has gone from $4.8 million in 1951 to $15.1 million in 1961. In Toronto the cost has gone from $18.8 million in 1951 to $45.8 million in 1961. And in Montreal it has gone from $17 million in 1951 to $38.6 million in 1961. In brief, Mr. Speaker, school costs alone in these five large cities in five different provinces have more than doubled, and in some cases have tripled, in just ten years, and the prospects for the next ten years are just as dismal and just as dangerous for the municipalities. Is it any wonder that local taxpayers are up in arms?

Education costs are just one example of what has happened at the local government level. Urban renewal, express highways, hospitals, bridges, are just a few of the things needed with which the local governments are having to cope. Municipal governments are not looking for handouts. They know their responsibilities; but they do say that this kind of local need can be met only through genuine partnerships between the federal, the provincial and the municipal governments. Tremendous social capital is required if they are to begin to meet the needs of the near future. Municipal governments feel that the aid of the federal government is required as never before.

The municipalities know that they were created by the provinces. But they believe that the federal and provincial governments have a vital stake in their financial well-being. They believe that urban growth and the changing needs of the urban population have given to municipal governments problems or responsibilities which they can no longer discharge without a fundamental increase in aid from the senior governments. The municipalities appreciate the increased aid they have received in recent years from both the provincial and the federal governments, but they believe that the aid so far given has been too little, too late, and too uncertain. They believe it is necessary now to reassess and re-evaluate the duties and responsibilities of all governments and their financial resources.

At its 1961 conference, the Canadian Federation of Mayors and Municipalities passed a resolution which I should like to read into the record. It is as follows:

Be it resolved that once again the government of Canada be petitioned to initiate a meeting at which representatives of the three levels of government can confer for the purpose of re-evaluating their respective fields of administrative responsibility and to discuss ways and means to re-allocate the sources of revenue available to them in the field of taxation.

Mr. Speaker, my resolution urges the house and the government to follow the sensible suggestion proposed by the Canadian Federation of Mayors and Municipalities. This proposal has been seriously and thoughtfully presented by the federation. It has the support of the vast majority of the local municipal councils across Canada. It is a matter of urgent and vital concern to every local taxpayer who has been called upon to pay substantially higher local taxes almost every year. Such a conference would help bring order and justice into the relationship between the three levels of government, federal, provincial and municipal, and it deserves the support of every hon. member of this house.

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I should like to congratulate the hon. member for Winnipeg North on bringing forward this resolution for the consideration of the house. It calls for the federal government to take the leadership in convening a conference such as he has outlined of federal, provincial and municipal authorities to review the responsibilities of each level of government, and their financial ability to assume those responsibilities. Then we come to the meat of the resolution, namely the subject of financing education and social welfare. We might begin with a brief review of the responsibilities of the various levels of government. Under the British North America Act education is dealt with in a completely separate section, namely section 93. It is set forth as follows:

93. In and for each province the legislature may exclusively make laws in relation to education, subject and according to the following provisions:—

There are then outlined four subsections which aim to take care of the minorities in the various provinces. In section 91 of the act the legislative powers of the federal government are outlined. In it there is nothing about education or social welfare. In section 92 the powers of the provincial legislatures are outlined, and in subsection 7 we find the following:

7. The establishment, maintenance, and management of hospitals, asylums, charities, and eleemosynary institutions in and for the province, other than marine hospitals.

Subsection 8 reads as follows:

8. Municipal institutions in the province.

This resolution proposes a conference between the federal, provincial and municipal authorities. There is some question as to the propriety of mentioning municipalities in this respect. As pointed out in subsection 8 of section 92 of the British North America Act, the sole responsibility for municipal institutions is left with the provincial government. Therefore if any conference is held it should be a conference between the federal government and the provinces. We might point out that very many of such conferences have been held to deal with these problems. The establishment, maintenance and management of hospitals and so on is also a provincial responsibility.

Years ago, at the time of confederation and for some time following, the responsibilities of the various levels of government in Canada were clearly defined. They were quite distinct. Methods of travel then were much slower than they are today. The means of communication was not so efficient as they are today. Local government at the municipal level had their own problems quite separate and distinct from the provincial problems and federal problems. The local problems consisted of the provision of roads, bridges, schools and other matters of purely local concern. Their materials and their labour were all local and much of the work was paid for through labour. It is not so many years ago that, in the province of Ontario, statutory labour went out of practice as far as the maintenance of our roads is concerned. I can well remember when every farmer in the rural areas was compelled by law to put in so many hours work or so many days work on the roads of his municipality. It was called statute labour. In the wintertime he was conpelled by law, if called upon to do

so, to get out and clear the roads of snow. He was subject to penalties if he did not answer the call of the official who was then known as the pathmaster whose responsibility it was to keep the roads clear of snow.

The point I am trying to make is that in those days municipal government and municipal matters were quite separate and distinct from the higher levels of government. As time went on and standards were raised, roads became more expensive, power machinery was introduced and the old methods had to be discarded. No longer do we find the farmers working out their taxes on the roads. There is now in use for municipal purposes extremely heavy machinery which is much more efficient in clearing the roads of snow and in building roads. However, the old insulation is gone. Municipal affairs became more and more of interest to the province. The small municipalities were unable on their own to purchase the heavy equipment which was required and to build the more expensive types of roads. A system of grants therefore developed and the province began to subsidize the municipalities. It helped out the weaker municipalities and it served as a sharing of the wealth between the wealthier sections and the poorer sections of the province.

The same trend applies to education. In the early days the local people built their own schools of logs or other local materials. As time went on, standards were raised and the schools became more expensive. The cost of maintaining those schools became greater. More schools were required. More education was required. This trend has gone on until, of recent years, the little old red schoolhouse has practically disappeared from the landscape and we have fine new central schools all across the country, at least in many areas. The costs have gone up. Again, in order to transfer some of the wealth from the larger urban centres to the small and weaker communities scattered across the country, the system of grants was developed. I think this system of grants is working very well indeed. However, the control is left in the hands of the local people. While the grants from the senior levels of government help to meet the expenses, the control is left with the local people. The control is left with the local people also in matters of welfare; and we have today our joint programs of welfare, with the cost shared largely by the federal and provincial governments and with the municipalities taking only that share of the cost which is sufficient to keep them interested in an economical administration of these programs.

It is true that the local people are carrying a great burden of taxation, but their situation is not too desperate. For instance, we do not want to do anything, I believe, to interfere with local control. There is a special program of taxation being applied in the province of British Columbia whereby the small homeowner is exempted from most of the taxes on his home. We also have the right of the cities and urban areas in Ontario to apply special rates of assessment against the homeowner. For this reason I believe it would be unwise to take any action or adopt any policy which would tend to centralize greater control in the senior government and remove control in some measure from the municipalities.

I think that this government does feel that the rights and interests of the local governments should be protected as far as possible and I could not support any suggestion to centralize more authority in the senior government at the expense of the local governments. Our present program is working well and it is serving to spread the wealth from the areas where it appears in the greatest concentration to those areas which need assistance. While it is not stated in the resolution, I am opposed to any implication or suggestion that our present method of financing education and social welfare is inefficient or unfair because I believe the system is working very well. Within the present framework which we have set up in this country I think we can proceed to provide the services that are required by the people without destroying the local control which in my opinion is so essential to the well-being of this country.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, the previous speaker, the hon. member for Middlesex West (Mr. Thomas), said that he thinks the system of taxation and control is working very well. I would point out to him that, as the hon. member for Winnipeg North (Mr. Orlikow) said, the resolution introduced by that hon. member is very much along the lines of one presented to the government by the Canadian Federation of Mayors and Municipalities. This body is made up of municipal representatives from all parts of Canada and of all political parties, and I would emphasize the point that they are far from satisfied.

I am not sure that members of the house who have not had experience in municipal government in recent years realize the enormity of the problems faced by local council. I refer particularly to councils in large urban areas where they have very heavy demands made upon them. I have just completed four years on the council of a very large urban area and I realize, as a few other hon. members probably do, the problems that come up week by week and the very heavy demands made upon the local budget and consequently

upon the local taxpayer. These are very real problems and, as I say, I do not think that members of this house who have not had the experience of struggling with them in recent years can quite appreciate them.

This problem will continue to grow and I suggest that in a very few years we are going to have something of an urban revolt on our hands in Canada. I think the people of the urban centres are being shortchanged in several ways. We have had some discussion recently concerning representation in this house and in most of the provincial legislatures, and I believe that the people in the larger centres are certainly shortchanged in that respect. They also appear to be with respect to the distribution of taxation revenues both from the federal government and from their individual provincial governments. They are at the grumbling stage now, but in a very few years I think they will take a much greater interest in the subject.

Not many provincial and federal elections have been fought on the basis of what to do about municipal and civic problems, but I think that day is coming and in my opinion all political parties in Canada should look at this problem and come up with programs that will help to solve the problem faced in cities. I do not think there is any party in Canada at the present time, including my own, that has a good platform on the question of municipal and civic problems.

This is a very important matter and the resolution introduced by the hon. member for Winnipeg North simply seeks to have the problem tackled. We are not suggesting what all the solutions would be, but simply that the problem should be recognized and its solution undertaken. The hon. member for Middlesex West raised some objection to any financing of education from federal sources. I think there is ample precedent for this. In fact, it is being done now. Just this morning I received a letter from the Minister of Labour (Mr. Starr) informing me that a secondary school in my municipality of Burnaby had received a grant for the building of new shops. I think there is ample precedent both at the secondary school level and the university level for federal aid in this connection. However, that is only part of the larger problem of the re-allocation of financial sources so far as the three levels of government are concerned.

Finally, Mr. Speaker, there is one point that we have to deal with here. I know that the question always comes up as to who will pay for this? It is pointed out that all governments have very great demands made upon them and how can they have the funds to meet these demands. I should like to conclude by reminding hon. members that the federal government is spending money in certain ways which I think could be spent more usefully elsewhere. We are spending a good deal of money on what we call defence. I suppose this is defence against the communist world, but I would suggest that if some of that money were re-allocated for education this would be a much better form of defence for us. I would hope that this resolution or one along these lines would receive passage this year because we cannot put off forever the problem of solving the financial difficulties of the cities and municipalities of Canada.

Mr. John B. Stewart (Antigonish-Guysborough): Mr. Speaker, I agree with the hon. member who has just taken his seat that the motion now before us calls our attention to a very serious matter; and I tend to disagree with what the hon. member for Middlesex West (Mr. Thomas) said. As we all know, in this country we have one of the most complicated forms of government. It is a form of government in which there are at least three echelons, and in the nature of things it is very doubtful that we will ever attain a perfect distribution of responsibilities and financial resources. Things are always going to be more or less unsatisfactory, I submit. But here I agree with the hon. member for Winnipeg North (Mr. Orlikow) that we should not relax and drift along. Rather, we should remain alert and try to readjust ourselves to new situations and new circumstances as they develop.

We are, I think, living under a new situation and new circumstances. It is true that our constitutional arrangement is an old one. It is true also, Mr. Speaker, that by practice and by legal alteration we have modified that constitutional structure somewhat to suit our new circumstances. What we find is that our economy and our society are becoming more and more tightly integrated so that developments on the national scene now impinge upon activities which were once thought to be local and private, of concern to the individual or family, school district, or municipality. In order to get a job or to survive in our society, the individual must have certain kinds of education and certain kinds of services. For the individual, there is in this society no escape. The relationship is reciprocal. If the individual is to make a contribution to our nation he must have those same kinds of education, those same kinds of services.

We must undertake, therefore, not simply by reading certain sections of the British North America Act, 1867, to assure in the interests of both the individual and the nation that these kinds of education and these kinds of services are generally available. Let me refer for a minute to precollege education. Many of the

young men and young women of Nova Scotia, for example, leave that province—reluctantly, of course—to find jobs or positions in other parts of Canada. I hear a seconding response from across the floor, and I realize that I have finally spoken the truth.

Mr. McCleave: They are spreading civilization.

Mr. Stewart: These young men and these young women are taking their developed talents, their time and energy, and giving them to other societies across the country. We are, of course, sorry to see them go but we realize this movement is part of the natural order of things. For the moment, Mr. Speaker, the burden of conferring this education upon those young people—I am using Nova Scotia as an example—is falling upon the people of the province. This burden is especially heavy in the case of a province such as Nova Scotia where it has to be a tax burden on what is generally unproductive property, that is houses and facilities for living which are not part of the productive portion of our economy.

This high cost of education, which in the national interest is absolutely indispensable, is taxing some of our Nova Scotia municipalities to desperation. Here I am not speaking merely in terms of generality, because I know of specific instances where this is true, specific instances where the tax rate is so high I am sure the hon. member for Middlesex West (Mr. Thomas) would be quite horrified and would not stay there. Education, which used to be a matter of local concern, has become a matter of national concern. Yet, the primary financial responsibility for education rests with the locality. Something of the same anachronism, something of the same inability to adjust to the new times, is found in some of the welfare fields. I feel that this is a situation which is going to grow worse.

For example, sir, the winter works program may be beneficial to towns and cities where certain kinds of projects need to be done and where there is a certain amount of financial competence to enter upon these projects. However, the program fails to hit the bull's eye in the target in many of our poorer municipalities. As I say, the situation may grow worse. We have heard something from the official opposition and the other opposition party of the need for social capital investment in our affluent society. Now, if this investment is to be a municipal investment aided by partial grants or by long term loans, I suspect that quite a number of our municipalities will be left hopelessly behind because they simply will not be able to participate. I submit that to both the official opposition and to the other opposition party.

Now, it may be argued, Mr. Speaker, that a province such as Nova Scotia intervenes to help its municipalities to meet their responsibilities. Indeed, this argument has been made. This is true, but the financial ability of a province such as Nova Scotia—I am sure that there are other provinces similarly situated—is severely limited.

This brings us to the iniquitous principle underlying the new federal-provincial tax sharing agreements. The fact that the hon. member for Middlesex West is from one of the most prosperous provinces in this country probably explains why he did not refer to this iniquitous principle. In the very short run this principle is of some advantage to Nova Scotia. However, in the not so very long run, this principle will be highly disadvantageous. The Atlantic provinces adjustment grants are fixed. The equalization payments under the federal-provincial fiscal arrangements will be based on the annual average yield of the three standard taxes rather than the yield in the two highest provinces, as formerly. The great argument in defence of the new arrangement is that it gives the provinces the right to impose their own personal income taxes. This argument, I think, appeals to the hon. member for Middlesex West, but it is not an argument that appeals to me. It is an argument that is relevant only to those provinces in which there is a comparatively high level of personal income. If this new principle is followed for long, provinces such as Nova Scotia will be less and less able to assist the municipalities.

I think it would be a tragedy, Mr. Speaker, if our municipalities and some of our provinces were unable to finance these services which are essential to our nation, essential educational programs, essential welfare programs. It would be national folly if the municipalities and some of our provinces were not able to provide these services, while millions of dollars are spent on defence establishments which are certainly of very dubious value. So, Mr. Speaker, I concur with the hon. member for Winnipeg North that the motion which he has set forth calls to our attention a matter of first rate importance, a matter which requires urgent action.

Mr. J. R. Sams (Wentworth): Before I comment on the remarks made by other hon. gentlemen in this house, Mr. Speaker, I should like to convey to you my sincere congratulations on your elevation to this high office. The main problem facing Canadian municipalities and, consequently, Canadian

taxpayers today, is not necessarily the cost of services rendered by local governments, but rather the allocation of those costs. As the hon. member for Winnipeg North pointed out, there is an ever increasing burden of taxation being imposed on all property owners for the costs of education and welfare services. Indeed the cost of education alone is perhaps the largest single factor Canadian taxpayers have to face today. It is an item which will continue to grow, and if the present trend continues, especially in our urban municipalities, we shall see each year in Canada a new city, or the equivalent of a new city with population of some 80,000 citizens.

In my humble opinion increased grants from federal or provincial authorities are not in themselves the answer. They are merely a deferment of the basic problem itself. The existence of our Canadian provinces and municipalities goes back to the Baldwin Act of 1849 and the British North America Act. These statutes set out the constitutional responsibilities and have clearly defined the precept that municipalities are creatures of the provinces. Consequently throughout succeeding years the federal government has made grants and contributions and entered into tax sharing agreements with the municipalities through their parent provinces. As the size of municipalities grows—and in some cases they are now larger than our smaller provinces—and as their administration becomes more complex, they seek ways and means of streamlining and modernizing their functions to meet the current needs of a vibrant population.

There are many municipal associations across our country and the subject of tax sharing responsibilities comes up at each of their annual conventions and regional meetings. The Canadian Federation of Mayors and Municipalities is notable among these in its search for good dominion-provincial relations, and the representations which have been made have resulted in a substantial difference in the payments to municipalities through their parent provinces.

Recent studies have been made on the composition and financing of local government, and I am happy to inform hon. members that the latest and perhaps most notable of these concluded just last month with the return to Canada of a number of Ontario elected and appointed officials representing Ontario municipalities and the provincial government, who spent several weeks in the United Kingdom, western Europe and the Scandinavian countries where they studied the structure and taxation methods adopted in those countries.

The association of Ontario counties, to the directorate of which the hon. member for Peterborough (Mr. Stenson) and myself have the honour to belong, has for the past three years been undertaking a detailed study of the various types of municipal government administration and their financial and other relationships with the province. It has also been undertaking a very significant study of similar forms of government in the states of New York, Michigan and Florida. Mr. Delby J. Bucknall, president of this association, is one of the group I mentioned earlier, as well as Mr. Allan F. Stewart, clerk-treasurer of Wentworth county and a number of other notable men in public life in the province of Ontario.

The Ontario provincial legislature has recently appointed a special committee to inquire into and make recommendations on the Ontario municipal act and other related acts, with a view to suggesting amending legislation which would recognize and meet the changing conditions in the province, and most pronounced, the change which has taken place in our society brought about by instant communication and rapid transportation.

Over the years the federal government has entered into a number of programs which are of interest to municipalities, and have directly offset the sharp upswing in municipal taxes paid by property owners. Federal-municipal programs, tax sharing agreements, and grants in lieu of taxes are not new terms in this house and I believe all hon. members, being aware of the problems in their constituent municipalities, will agree with me that these burdens have been somewhat lessened by legislation and action on these matters undertaken by this government and, indeed, by legislation which was introduced by the government of hon. members opposite.

Being cognizant of our responsibilities to the taxpayers, as we all must be, our first consideration has to be the redistribution of this so-called wealth along more equitable lines. To this end I suggest that the findings of the royal commission on taxation, which has already commenced its proceedings, will make available to this house the necessary information to formulate a policy which the hon. member for Winnipeg North seeks in his resolution. I would also respectfully point out to the hon. member that studies are currently underway in several other provinces to suggest the re-allocation of financing which he desires.

The challenge which lies before our municipal leaders in moulding the future of Canada's local government is perhaps best illustrated by the words of the Hon. Fred M. Cass, Q.C., minister of municipal affairs for Ontario, speaking to the delegates attending

Equitable Division of Tax Burden

the twenty fifth annual conference of the Canadian Federation of Mayors and Municipalities in Winnipeg last June. He said:

> If we are to achieve the basic goal of providing a better community life for our people, we must have an intelligently informed people—a public aware of the problems and costs, and a public willing to accept the responsibilities and obligations of our way of life.

The Baldwin Act, commonly referred to as the confederation act of local government in Canada, which established our provincial-municipal relationships, has been amended from time to time as the need for change has arisen; but perhaps one of the most recent and significant changes to take place in this field was the action by the Alberta legislature in the development of their county system of government, in which a greater control by elected officials was given in matters of education financing and administration.

This trend towards localization, yet centralization of tax collecting and tax spending, is viewed with alarm in some quarters. Among some there is a fear of losing local autonomy and local identity. This may be seen where local municipal elections are won or lost on the simple issue of a central school. In addition to this we can see an endless parade of annexation and amalgamation hearings necessitated by the desire for more industrial assessment, and pointing out the obvious need for changes in our taxing laws. I have every confidence that the capable personnel of the commission currently undertaking this study will be supplied with sufficient representations from our provinces and municipal associations so as to make their findings a complete reflection of the Canadian scene.

Mr. Guy Marcoux (Quebec-Montmorency): May I rise on a question of privilege, please?

Mr. Deputy Speaker: The hon. member for Quebec-Montmorency on a point of privilege.

Mr. Marcoux: If you will please put on your earphone.

(Translation):

Mr. Speaker, even though we constitute a so-called minority party, could you possibly recognize a member of our group who would like to speak on private members' motions, which are being considered between five and six o'clock?

I noted that two socialist members had the opportunity to speak, as well as two or three government members and also members of the official opposition. On the other hand, a member of our group rose on several occasions without being recognized.

Therefore, I wonder whether the Speaker will recognize our members in the future or whether it would be better to ask Social Crediters never to prepare themselves to deal with those matters.

(Text):

Mr. Deputy Speaker: I apologize to the hon. member for Portneuf (Mr. Frenette). Unfortunately I had cast my eyes to the other side of the chamber and when I cast them back I saw he had, indeed, risen to his feet. I assure the hon. member I will be most careful in future as to the fair apportionment of the time available for consideration of private members business.

BUSINESS OF THE HOUSE

Mr. Chevrier: I should like to ask the leader of the house what it is the intention of the government to do tomorrow and on Friday. Perhaps we might also have some indication of what the business would be on Monday.

Mr. Churchill: My practice in other sessions was to announce the business for the following week on Thursday evening and not earlier than that. Tomorrow we shall be continuing the order of business we had hoped to reach today. The first item will be the resolution in the name of the Minister of Agriculture dealing with the Farm Credit Act, No. 24 on today's order paper. Second, we would take the second reading of Bill No. C-3 to amend the Food and Drugs Act, No. 2 on today's order paper and, after that, three items standing in the name of the Minister of Transport—second reading of Bill No. C-58 to amend the Carriage by Air Act, No. 9 on the order paper; second reading of Bill No. C-59, to approve an agreement between the government of Canada and the government of the province of Ontario, which is No. 10 on the order paper, and the resolution to amend the Aeronautics Act, which is No. 21 on the order paper.

On Friday we hope to move into supply to ask for interim supply for a period of one month, as is normal under the circumstances.

Mr. Chevrier: Will we consider interim supply on Friday, even though we may not have disposed of the several items the leader of the house has announced for Thursday?

Mr. Churchill: I will leave that open to see what progress we make tomorrow. If the house deals with the five items it will be easy to go into interim supply.

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

HOUSE OF COMMONS

Thursday, October 18, 1962

The house met at 2.30 p.m.

PRIVILEGE

MR. DINSDALE—REFERENCE TO ARTICLE IN CALGARY "ALBERTAN"

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I am rising on a question of privilege in reference to an article in the *Albertan* of October 16, which reads as follows:

> Northern affairs minister Walter Dinsdale Monday night confirmed that Eldon Woolliams, Conservative member of parliament for Bow River, had involved himself in a deal involving the sale of privately owned Banff national park property to the federal government.

This statement is untrue and without foundation. Mr. Woolliams to my knowledge is not involved in any deal with my department nor did I ever say he was involved. The land referred to in the article was expropriated in 1956 by order in council and Mr. Woolliams' law firm of Calgary placed the matter in the hands of Mr. Robinette, Q.C., Toronto, to act as counsel for the owners in a case now before the exchequer court.

(Translation):

MR. CAOUETTE—REFERENCE TO TELEVISION BROADCAST BY MEMBER FOR LAURIER

Mr. Real Caouette (Villeneuve): Mr. Speaker, I rise on a question of privilege.

On the television program "Les Affaires de l'État", the hon. member for Laurier (Mr. Chevrier) made a tendentious statement concerning the group we represent in this house when he said:

> The Social Credit members from Quebec are betraying the mandate they received from their electors by supporting the Diefenbaker regime to obey orders transmitted by Mr. Caouette but actually coming from British Columbia's Mr. Bennett, their real though secret chief.

The hon. member for Laurier went on to say:

> Mr. Diefenbaker must be laughing up his sleeve; now, he can ignore the French Canadians as he wishes and stay in power, thanks to their Social Credit members in the house.

Mr. Speaker, I challenge such remarks. They are not only untrue, but also false and even perfidious. I declare that to date, I never even met with the Prime Minister of this country (Mr. Diefenbaker) nor any minister and that our real leader is the hon. member for Red Deer (Mr. Thompson).

Mr. Speaker, I think that if that is the way the Liberals want to build up their political capital in the province of Quebec, it is dishonest, and I say that the hon. member for Laurier is completely wrong.

Mr. Speaker: Having heard the observations made by the hon. member for Villeneuve, I think he has expressed an opinion opposed to that of another hon. member, and I do not believe he has a genuine question of privilege under the standing order.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, you were absolutely right in saying that there was no question of privilege, because when a member wants to rise on a question of privilege, he must do so immediately—

Mr. Caouette: Order, order.

An hon. Member: Why don't you sit down.

Mr. Speaker: I feel that, out of deference, the hon. member for Laurier should be heard since he wishes to give some explanation about the question of privilege. Courtesy requires that he be heard.

Mr. Chevrier: Mr. Speaker, I was just saying that when someone wants to rise on a question of privilege, he must do so immediately.

Now, the speech to which the hon. member for Villeneuve (Mr. Caouette) is taking exception was delivered on Monday. Today is Thursday and if the hon. member had wanted to rise on a question of privilege, he could have done so Tuesday. Since he is seldom in the house, I can understand why he did not raise this question before now.

Now, Mr. Speaker, I wish to draw the attention of the house to the fact that the hon. member for Villeneuve made unparliamentary remarks about me, using such terms as "false", "perfidious remarks" etc.

I maintain that the statements I made on television are true and I shall have the op-

portunity in due course, perhaps very soon, to show, maybe more clearly than the hon. member for Villeneuve thinks, that there was an agreement between Mr. Bennett and himself.

An hon. Member: That is true.

Mr. Speaker: I feel we have heard both sides of the question which, in my opinion, stays unchanged. I believe that there was no question of privilege.

HOUSE OF COMMONS

FRENCH TRANSLATION OF CAFETERIA MENU

Mr. Gilles Gregoire (Lapointe): I rise on a question of privilege, Mr. Speaker. I should like to congratulate those who translated into French the menu posted on the blackboard in the cafeteria. However, I should like to point out that there are several errors of spelling; for instance, in the expression "éperlan frit", the word "frit" is spelled f-r-i-t not f-r-y-e.

Mr. Speaker: The hon. member for Lapointe could offer his gratuitous services as an adviser to the cafeteria staff on matters pertaining to the French language.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Gerald Laniel (Beauharnois-Salaberry): Mr. Speaker, I should like to ask the Associate Minister of National Defence a question, which could also be directed to the Prime Minister. This question is of the highest importance.

You are aware, Mr. Speaker, that there is a controversy raging around an exhibition of paintings in Ottawa. I am not thinking of the copies which are being discussed these days, but I should like to know from the Associate Minister of National Defence if it is true that thirty Social Credit still lives were blued recently?

(Text):

MAIN ESTIMATES, 1962-63

A message from His Excellency the Governor General transmitting the revised estimates for the financial year ending March 31, 1963, was presented by Hon. George C. Nowlan (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

EXPLANATORY STATEMENT OF THE MINISTER OF FINANCE

Hon. George C. Nowlan (Minister of Finance): It might be of assistance to the house, Mr. Speaker, if I had permission to make a relatively short statement on the amended estimates which have just been placed on the table.

The estimates for the fiscal year ending March 31, 1963, were tabled during the fifth session of the twenty fourth parliament. However, they were not finally dealt with during that session of parliament, and estimates for the current year must therefore be introduced again during this session. The original estimates for 1962-63, which were tabled on February 12, 1962, provided a basis for the interim supply which has allowed the government services to operate and accounts to be paid in the normal way from April 1 up to the present time.

Between the last session of parliament and the present session, the government decided upon certain emergency financial measures, including a decision to reduce federal expenditures by $250 million for a full fiscal year. It was anticipated that this decision, which was taken some months after the beginning of the present fiscal year, would produce savings of the order of $200 million during the remainder of the present year.

In the light of these developments, it is not considered appropriate at this time to reintroduce the original estimates for 1962-63. Rather, those estimates have been revised and have been reprinted to reflect the reductions which have been decided upon by the government. Within a few days I will introduce a resolution in this house requesting further interim supply to carry government services forward beyond the end of October, and relating previous supply bills to these revised estimates rather than to the estimates upon which they were originally based.

In the preparation of the revised estimates which have been tabled today, the original blue book for 1962-63 provided the basic manuscript. The current year amounts for more than 300 of the items to be voted have now been reduced, and no new items have been inserted. A small number of items have been increased to reflect necessary adjustments in the cost of certain programs which were specifically provided for in the original estimates. The expenditure and revenue details for 1961-62 which were, necessarily, only forecasts at the time the original estimates were prepared last January have been amended to show the actual results for that year. No adjustment whatsoever has been made in the figures in the 1961-62, that is the old year, column of the blue book.

The revised estimates total $6,048.2 million, a decrease of $228.0 million from the total of the estimates tabled on February 12, 1962. Tables have been prepared showing the distribution of the reductions by department, by the standard objects and also on the basis of administration, capital and other costs, which with the consent of the house I would ask to be inserted in *Hansard* in order that they may be available to all hon. members who read today's proceedings.

Briefly the tables disclose that $142.4 million of the total reduction was effected in the estimates of the civil departments and $85.6 million was removed from the defence department's estimates. Viewed in another way, $85.9 million of the reductions relates to administration and operation costs, $109.5 million has been taken from the provision for the construction of buildings and other works and for equipment purchases, and $33.2 million has been cut from grants, subsidies and other items.

The reduction of $85.9 million realized in administration and operation costs includes salary and wage cuts netting out to $24.1 million, cuts averaging 5 per cent in travel, publications, advertising, office stationery, and materials and supplies, and reductions of about 10 per cent in the provision for repairs to both buildings and equipment.

The capital reductions totalling $109.5 million are identifiable as $78.7 million in civil departments and $30.8 million in defence departments. From another point of view, about two thirds of the total amount of these reductions were from construction programs and the remaining one third was realized from reduced equipment acquisition plans. Among the reductions in construction programs are $18.6 million from the Department of Public Works, $17.9 million from the Department of Transport, $8.1 million from the Department of Northern Affairs and National Resources, $6.6 million from the Department of National Defence and $6.4 million from the Department of Agriculture. The major reductions in equipment acquisition programs are located in the departments of national defence, $24.2 million, and transport, $6.4 million.

There is a reduction of $33.2 million in grants, subsidies and other items, the major components of which are: external affairs—Colombo plan, $8.5 million; Canadian Broadcasting Corporation, $5 million; board of transport commissioners, $4.2 million, payment to the railway grade crossing fund; national health and welfare, $3.4 million, hospital construction and other health grants; agriculture, $3.1 million, quality premiums on hogs and lime assistance. There are a number of other adjustments to produce the total reduction in this category of expenditures.

Hon. members will find the tables helpful in tracing all the details of these many changes and will appreciate, I am sure, that these reductions reflect a most thorough review of the government's expenditure program.

Mr. Speaker: In order to be quite accurate, has the minister permission to have these tables, cited as table No. 1 and table No. 2, printed in *Hansard* as requested?

Some hon. Members: Agreed.

[*Editor's note: The tables referred to above are as follows:*]

TABLE 1

ESTIMATES OF BUDGETARY EXPENDITURES FOR 1962-63
(Revised Estimates Compared with Original Estimates)
(in millions of dollars)

	Administration and Operation		Buildings, Works and Equipment		Grants, Subsidies and Other Items		Recoverable Items, etc.		Net Total Estimates		
	Revised	Original	Revised	Original	Revised	Original	Revised	Original	Revised	Original	Difference
Agriculture	63.6	66.7	29.5	35.9	62.7	65.8	0.4	0.4	155.4	168.0	−12.6
Atomic Energy	28.8	32.3	8.4	6.9	0.8	0.8	—	—	38.0	40.0	− 2.0
Auditor General's Office	1.3	1.3	—	—	—	—	—	—	1.3	1.3	—
Board of Broadcast Governors	0.3	0.4	—	—	—	—	—	—	0.3	0.4	− 0.1
C.B.C.	1.8	1.8	—	—	80.6	85.6	—	—	82.4	87.4	− 5.0
Chief Electoral Officer	0.1	0.1	—	—	—	—	—	—	0.1	0.1	—
Citizenship and Immigration	52.3	53.7	9.4	13.1	3.5	3.5	—	—	65.2	70.4	− 5.2
Civil Service Commission	4.6	4.8	—	—	—	—	—	—	4.6	4.8	− 0.2
External Affairs—											
Department	21.3	21.8	1.6	2.5	62.5	70.6	—	—	85.4	95.0	− 9.6
Int. Joint Commission	0.1	0.2	—	—	—	—	—	—	0.1	0.2	− 0.1
Finance	129.7	125.6	0.1	0.2	1,079.0	1,079.1	0.2	0.2	1,208.6	1,204.6	+ 4.0
Fisheries	18.9	20.0	4.4	5.3	1.5	1.5	0.4	0.4	24.5	26.5	− 2.0
Forestry	7.5	7.8	1.0	1.1	8.1	8.1	—	—	16.6	17.1	− 0.5
Governor General	0.5	0.5	—	—	—	—	—	—	0.5	0.5	—
Insurance	0.8	0.8	—	—	—	—	—	—	0.8	0.8	—
Justice—											
Department	9.7	9.8	—	—	0.2	0.2	—	—	9.9	10.0	− 0.1
Penitentiaries	19.4	19.8	7.8	11.8	—	—	—	—	27.2	31.6	− 4.4
Labour—											
Department	7.1	7.4	—	—	105.7	105.7	—	—	112.8	113.1	− 0.3
U.I.C.	47.3	49.1	—	—	57.5	57.5	—	—	104.8	106.6	− 1.8
Legislation	8.5	8.5	—	—	—	—	—	—	8.5	8.5	—
Mines and Technical Surveys—											
Department	28.1	29.3	7.8	11.3	12.2	12.2	0.1	0.1	48.0	52.7	− 4.7
Dominion Coal Board	0.1	0.1	—	—	17.6	17.6	—	—	17.7	17.7	—
National Film Board	5.2	5.4	0.2	0.2	—	—	—	—	5.4	5.6	− 0.2
National Gallery	1.1	1.2	—	0.1	—	—	—	—	1.1	1.3	− 0.2
National Health and Welfare	44.2	46.0	2.4	3.6	1,053.1	1,056.8	—	—	1,099.7	1,106.4	− 6.7
National Research Council	26.4	27.6	2.7	3.9	15.4	15.4	4.4	4.4	40.1	42.4	− 2.3
National Revenue	78.1	80.3	0.3	0.5	—	—	1.0	1.0	77.5	79.8	− 2.3
Northern Affairs and National Resources	35.7	37.0	31.1	39.2	19.1	19.3	1.8	1.9	84.0	93.7	− 9.7
Post Office	188.5	190.1	1.7	1.9	—	—	—	—	190.2	190.2	− 1.8
Privy Council	3.9	5.0	2.1	3.4	1.0	4.0	—	—	7.0	12.4	− 5.4

Public Archives and National Library—											
Public Archives	0.7	0.8	—	—	—	—	—	—	0.7	0.8	− 0.1
National Library	0.4	0.4	—	—	—	—	—	—	0.4	0.4	—
Public Printing and Stationery	3.9	4.1	0.1	0.3	—	—	0.2	0.2	3.8	4.2	− 0.4
Public Works	72.0	75.1	61.7	81.4	58.8	61.6	0.7	0.7	191.8	217.5	−25.7
R.C.M.P.	59.2	60.5	3.3	5.0	—	—	—	—	62.5	65.5	− 3.0
Secretary of State	5.0	5.2	—	—	—	—	—	—	5.0	5.2	− 0.2
Trade and Commerce—											
Department	24.7	25.7	0.3	0.3	0.1	0.1	—	—	25.0	26.2	− 1.2
General	0.7	0.7	—	—	—	—	—	—	0.7	0.7	—
Transport—											
Department	117.8	124.7	107.1	131.5	39.4	39.4	10.9	12.2	253.4	283.5	−30.0
Air Transport Board	0.6	0.6	—	—	—	—	—	—	0.6	0.6	—
Board of Transport Comm	1.3	1.4	—	—	12.8	17.0	—	—	14.2	18.4	− 4.2
Canadian Maritime Comm	0.2	0.2	—	—	17.2	17.2	—	—	17.4	17.4	—
National Harbours Board	—	—	6.4	6.6	—	—	1.2	1.0	5.2	5.6	− 0.4
St. Lawrence Seaway Auth	1.7	1.7	0.4	0.4	—	—	—	—	2.1	2.1	—
Veterans Affairs	81.0	82.4	2.6	4.8	267.1	267.1	19.2	18.7	331.4	335.6	− 4.2
Total, Civil Departments	1,204.1	1,238.2	292.4	371.1	2,975.9	3.006.1	40.5	41.1	4,431.8	4,574.2	−142.4
Defence Production—											
Department	18.1	18.7	0.3	0.3	—	—	—	—	18.4	19.0	− 0.6
Crown Companies	6.8	6.9	0.4	0.4	—	—	—	—	7.2	7.2	—
National Defence	1,223.6	1,274.8	348.5	379.3	36.2	39.2	17.6	17.6	1,590.8	1,675.8	−85.0
Total, Defence Departments	1,248.5	1,300.3	349.2	380.0	36.2	39.2	17.6	17.6	1,616.4	1,702.0	−85.6
Total, Budgetary Expenditures	2,452.6	2,538.5	641.6	751.2	3,012.1	3,045.3	58.1	58.7	6,048.2	6,276.2	−228.0

(Details do not necessarily add to totals, due to rounding.)

TABLE 2

ESTIMATES OF BUDGETARY EXPENDITURES FOR 1962-63
(BY STANDARD OBJECTS OF EXPENDITURE AND SPECIAL CATEGORIES)
(Revised Estimates compared with Original Estimates)
(in millions of dollars)

Standard Objects	Civil Departments			Defence Departments			Totals			
	Revised	Original	Difference	Revised	Original	Difference	Revised	Original	Difference	
(1) Civil Salaries and Wages	650.6	664.6	−14.0	195.6	205.7	−10.1	846.2	870.3	−24.1	(1)
(2) Civilian Allowances	13.5	13.5	—	2.1	2.2	− 0.1	15.6	15.7	− 0.1	(2)
(3) Pay and Allowances, R.C.M.P. and Defence Forces	36.0	36.3	− 0.3	536.5	545.9	− 9.4	572.5	582.2	− 9.7	(3)
(4) Professional Services	55.0	56.2	− 1.2	40.6	42.3	− 1.7	95.6	98.5	− 2.9	(4)
(5) Travelling Expenses	25.1	26.7	− 1.6	40.6	42.6	− 2.0	65.7	69.3	− 3.6	(5)
(6) Freight, Express, etc	5.3	5.6	− 0.3	6.1	6.7	− 0.6	11.4	12.3	− 0.9	(6)
(7) Postage	5.6	5.6	—	0.8	0.8	—	6.4	6.4	—	(7)
(8) Telephones, Telegrams, etc	13.6	13.9	− 0.3	23.0	25.1	− 2.1	36.6	39.1	− 2.5	(8)
(9) Publications	7.3	8.0	− 0.7	2.7	2.8	− 0.1	10.0	10.8	− 0.8	(9)
(10) Exhibits, Advertising, etc	12.5	13.4	− 0.9	0.8	1.1	− 0.3	13.3	14.5	− 1.2	(10)
(11) Stationery, Supplies, etc	17.3	18.8	− 1.5	6.4	6.9	− 0.5	23.7	25.6	− 1.9	(11)
(12) Materials and Supplies	70.1	73.6	− 3.5	107.5	117.7	−10.2	177.6	191.3	−13.7	(12)
Buildings and Works—										
(13) Construction	243.5	308.3	−64.8	80.0	86.7	− 6.7	323.5	395.0	−71.5	(13)
(14) Repairs	23.5	25.8	− 2.3	32.2	36.0	− 3.8	55.7	61.9	− 6.2	(14)
(15) Rentals	10.6	10.2	0.4	6.7	6.9	− 0.2	17.3	17.0	0.3	(15)
Equipment—										
(16) Acquisition	48.3	62.6	−14.3	269.2	293.4	−24.2	317.5	356.0	−38.5	(16)
(17) Repairs	13.0	14.3	− 1.3	131.2	141.4	−10.2	144.2	155.7	−11.5	(17)
(18) Rentals	8.2	8.5	− 0.3	—	—	—	8.3	8.6	− 0.3	(18)
(19) Public Utility Services	39.4	40.0	− 0.6	20.7	20.8	− 0.1	60.1	60.8	− 0.7	(19)
(20) Grants, Subsidies, etc	483.8	507.7	−23.9	36.2	39.2	− 3.0	520.0	546.9	−26.9	(20)
(21) Pensions, etc	73.5	73.6	− 0.1	70.5	70.5	—	144.1	144.1	—	(21)
(22) Other Expenditures	70.0	78.1	− 8.1	24.4	24.7	− 0.3	94.4	102.8	− 8.4	(22)
	1,925.6	2,065.2	−139.6	1,634.0	1,719.6	−85.6	3,559.6	3,784.8	−225.2	
Special Categories										
(23) Interest on Public Debt	788.2	788.2	—				788.2	788.2	—	(23)
(24) Payments to Provinces	264.6	264.6	—				264.6	264.6	—	(24)
(25) Family Allowances	536.0	536.0	—				536.0	536.0	—	(25)
(26) Old Age Pensions, etc	139.3	139.3	—				139.3	139.3	—	(26)

(27) Veterans Pensions	176.5	176.5	—				176.5	176.5	—	(27)
(28) Other Veterans Benefits	88.8	88.8	—				88.8	88.8	—	(28)
(29) Government's Contribution to Unemployment Insurance Fund	57.5	57.5	—				57.5	57.5	—	(29)
(30) Hospital Insurance and General Health Grants	372.6	376.0	− 3.4				372.6	376.0	− 3.4	(30)
(31) Trans Canada Highway Payments	50.0	50.0	—				50.0	50.0	—	(31)
(32) Movements of Mail	63.2	63.2	—				63.2	63.2	—	(32)
(33) Deficits—Enterprises	10.2	10.2	—				10.2	10.2	—	(33)
	2,546.8	2,550.2	− 3.4				2,546.8	2,550.2	− 3.4	
Total Standard Objects and Special Categories	4,472.4	4,615.4	−143.0	1,634.0	1,719.6	−85.6	6,106.4	6,335.0	−228.6	
(34) Less—Estimated Savings and Recoverable Items	40.6	41.2	− 0.6	17.6	17.6	—	58.2	58.8	− 0.6	(34)
Net Total Estimated Expenditures	4,431.8	4,574.2	−142.4	1,616.4	1,702.0	−85.6	6,048.2	6,276.2	−228.0	

(Details do not necessarily add to totals, due to rounding.)

Measurement of Radioactive Fall-out

[*Later:*]

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, having regard to the statement made by the Minister of Finance earlier today when he presented the revised estimates for the year ending March 31, 1963, will the minister inform the house what part of the so-called economies of $228 million might have been suggested or directed by treasury board or by his predecessor prior to the information given to the house today?

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, I have not a calendar in my mind. From memory I cannot recall the dates when certain actions were taken or when certain decisions were made. All of the revisions contained in the revised estimates were, of course, approved by treasury board and it was under the authority of treasury board and subsequently of the cabinet that they were printed.

HEALTH AND WELFARE

USE OF MILK TO MEASURE RADIOACTIVE FALL-OUT

Hon. Alvin Hamilton (Minister of Agriculture): In view of the situation which has arisen today in Toronto, Mr. Speaker, I would like to make a short statement following what the Minister of National Health and Welfare announced yesterday, namely that radiation statistics would now be published once a month instead of every three months. At that time he pointed out that strontium 90 levels were not viewed as high enough to cause immediate concern and that levels of iodine 131 were still substantially below those for which remedial action was considered essential to public health.

The press reports, in so far as I have seen them, reported the minister's statement factually, but it appears that in some instances headings were used which left the public with the impression that there was a present danger in milk from fall-out material. I think it is important that the house and the public should be reassured, as the Minister of National Health and Welfare made clear yesterday, that this is not the case and the nation's milk supply is quite safe.

I should also like to clarify the reason mention is made of milk in reporting fall-out levels. This is simply for the reason that milk is the commodity which is used for the purpose of taking measurements. It is not intended in any way to indicate that there is any particular danger with respect to milk or, indeed, that fall-out material may be present in milk any more than in other commodities. As a matter of fact, in so far as strontium 90 is concerned, milk is one of the safest of foods because the high level of calcium in milk nullifies to a considerable extent the effects of strontium 90.

HOUSE OF COMMONS

RAYMOND RODGERS—PETITION FOR ADMISSION TO PRESS GALLERY ASSOCIATION

Mr. J. C. McNulty (Lincoln): Mr. Speaker, by leave of the house I would like to present a petition from Raymond Spencer Rodgers, the parliamentary correspondent for the St. Catharines *Standard*, concerning his application for admission as associate member to the parliamentary press gallery association.

Mr. Frank McGee (York-Scarborough): Mr. Speaker, on a point of order, I wonder whether it would be in the interests of hon. members to have the petition read so that we may be made aware of what is before the house.

Mr. Speaker: This, pursuant to standing order 70, would happen tomorrow.

INDIAN AFFAIRS

PROVISION FOR ESTABLISHMENT OF CLAIMS COMMISSION

Hon. Richard A. Bell (Minister of Citizenship and Immigration) moved:

That the house do go into committee of the whole at its next sitting to consider the following resolution, which has been recommended to the house by His Excellency:—

That it is expedient to introduce a measure to provide for the establishment of an Indian claims commission and the appointment of its members and staff; to provide for their salaries and expenses; to define the duties of the commission, to authorize it to exercise certain powers and to provide for other related and incidental matters.

Motion agreed to.

RAILWAYS, AIR LINES AND SHIPPING

ESTABLISHMENT OF COMMITTEE ON RAILWAYS, AIR LINES AND SHIPPING OWNED AND CONTROLLED BY THE GOVERNMENT

On the order: Government notices of motion:

That a sessional committee on railways, air lines and shipping owned and controlled by the government be appointed to consider the accounts, estimates and bills relating to the Canadian National Railways, the Canadian National (West Indies) Steamships, and Trans-Canada Air Lines, saving always the powers of the committee of supply in relation to the voting of public moneys, and that the said committee be empowered to send for persons, papers and records, and to report from time to time, and that notwithstanding standing order 67 in relation to the limitation of the number of members, the said committee shall consist of 26 members.

Mr. Speaker: Pursuant to section 2 of standing order 21, this government notice

of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

CANADIAN PACIFIC RAILWAY

INQUIRY AS TO ACTION TO AVOID STRIKE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Labour and ask him whether it is a fact that negotiations between the Canadian Pacific Railway and its employees have broken down. If so, what steps does the government intend to take now in connection with this very vital matter?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the negotiations between the C.P.R. and the trainmen from time to time have broken off and have been resumed. We have been instrumental in getting them together. We hope to be able to get them together again so they may iron out their difficulties.

POWER

COLUMBIA RIVER—NEW PROPOSALS WITH RESPECT TO FINANCING

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Justice. Has the government or the Minister of Justice received any new or amended proposals from the premier of British Columbia with respect to the financing of the Columbia river development?

Hon. Donald M. Fleming (Minister of Justice): No, sir.

TRANSPORT

RAILWAY BRANCH LINES—SUBMISSION BY FEDERATION OF AGRICULTURE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the government received a submission from the Canadian Federation of Agriculture asking for an immediate halt to all railway branch line abandonment proceedings and the formulation of a national plan and policy on abandonment? What consideration has been given to this request, particularly in view of the fact that hearings before the board of transport commissioners in a series of applications—

Some hon. Members: Order.

Mr. Speaker: Order. I think if the hon. member would heed the advice I gave him on a previous occasion, perhaps the question would receive much more favourable consideration and he could get an answer to it if he limited it to the first portion thereof.

Mr. Argue: Mr. Speaker, I thank you for your advice, but I wanted to point out that I had used the second part to demonstrate the urgency, namely that the hearings before the board are commencing today. But I should like to ask the Prime Minister if the government has had such a submission, and whether it is going to halt these proceedings.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the answer is yes. Discussions are continuing among representatives of the railway companies, the western elevator companies and the ministers of transport and agriculture. When determination has been made following these discussions, the house will be made aware of the results.

Mr. Argue: I wonder whether the Prime Minister would care to comment on that portion of the request asking that the proceedings before the board of transport commissioners should be suspended pending this consideration.

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman would be the first to raise the strongest objection if the government interfered in any way with an autonomous body such as the board of transport commissioners.

CIVIL DEFENCE

INQUIRY AS TO CONSTRUCTION OF PUBLIC BOMB SHELTERS

On the orders of the day:

Mr. S. P. Ryan (Spadina): I should like to direct a question to the Prime Minister. Does the government plan to construct public bomb shelters in the large cities of Canada?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, matters such as that will be announced when decisions are made in respect thereof.

TORONTO—REPORTED REFUSAL OF ASSISTANCE RESPECTING FALL-OUT SHELTERS

On the orders of the day:

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, in view of the grave international situation alluded to yesterday by the Prime Minister, may I ask him to explain to the house why officials of this government have continued to refuse to give financial assistance to the city of Toronto in order to build fall-out shelters in the Toronto subway and underground garages.

Inquiries of the Ministry

Mr. Speaker: Order. While the hon. member may have embarked on a proper question, I think he got quite off the rails. Obviously the question is of such a nature as to invite an argumentative answer. For that reason I do not think I should allow it to go in that form.

VOCATIONAL TRAINING

CONSIDERATION FOR NON-ENGLISH SPEAKING TRAINEES

On the orders of the day:

Mr. J. C. Munro (Hamilton East): Mr. Speaker, I should like to direct a question to the Minister of Labour. Would the minister be prepared to undertake immediate action to amend schedule 5 of the federal-provincial training program so as, shall we say, to take off the emphasis on English language training? The reason I request this action, which I feel is urgent, is that under the present federal-provincial program for trainees, the very people it is designed to help, namely those of, say, Italian descent who cannot speak English, cannot get the benefit—

Mr. Speaker: Order. While I recognize the importance to the hon. member of the question or the representations he may wish to make to the Minister of Labour, I think he would do much better in getting his point across and getting the necessary information if he put his question on the order paper, when he will get a full reply at an early date.

AIRPORTS

GANDER—REPORTED REDUCTION IN CATERING SERVICE

On the orders of the day:

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the government taken a decision to reduce the status of the catering service at Gander airport, with a consequent reduction in staff?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I will have to find out from my department; I have not got the information available here this afternoon.

(Translation):

EXTERNAL AFFAIRS

ALGERIA—SUGGESTED DONATION OF CANADIAN FOODS

On the orders of the day:

Mr. Bernard Dumont (Bellechasse): Mr. Speaker, my question is directed to the Prime Minister. I gave him notice of it.

[Mr. Haidasz.]

We learned this morning that two million people will be facing great hardship this winter, as a result of the troubles which have occurred recently in Algeria. As we have in stock great quantities of wheat, powdered milk, eggs and canned pork, stored at present in army barracks, in Lauzon for instance, is it the intention of the government to donate to the Red Cross a portion of those goods in order to ease such hardship?

An hon. Member: Hear, hear.

Mr. Speaker: I am afraid that the minister to whom this question is directed and I find ourselves in the same position. The hon. member spoke so fast when he started asking his question that we could not take in its meaning.

Mr. Dumont: Will you allow me to repeat it, Mr. Speaker?

An hon. Member: Slowly.

Mr. Dumont: We have learned that two million people will be facing great hardship this winter as a result of the troubles which have occurred recently in Algeria. As we have in stock great quantities of wheat, powdered milk, eggs and canned pork, stored at present in army barracks, in Lauzon for instance, is it the intention of the government to donate to the Red Cross a portion of those goods in order to ease such hardship?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I shall answer that question later.

(Text):

NATIONAL DEFENCE

NUCLEAR WEAPONS—INQUIRY AS TO AGREEMENT WITH UNITED STATES

On the orders of the day:

Mr. T. R. Berger (Vancouver-Burrard): Mr. Speaker, may I direct a question to the Prime Minister. Can the Prime Minister tell the house whether any agreement has been reached with the United States regarding the custody and firing of nuclear warheads which may be used by Canadian forces?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the answer is no.

Hon. Paul Hellyer (Trinity): Mr. Speaker, a supplementary question. Would the Prime Minister advise the house whether the policy remains as it was when he announced it on February 26, 1962, that in the event that nuclear war should break out, the government would send a letter to Washington asking for an immediate conclusion of these negotiations?

Mr. Diefenbaker: Mr. Speaker, I have always given the hon. gentleman credit for being able to read. His conclusions have no basis in fact, and while they are facetious, they convey no interest to me whatsoever.

Mr. Hellyer: It depends which paragraph you read.

(Translation):

QUEBEC—REQUEST FOR MILITARY COURSES IN FRENCH

On the orders of the day:

Mr. Raymond Langlois (Megantic): I should like to direct my question to the Associate Minister of National Defence. Could not the militia courses given in the various areas of the province of Quebec be given in French also?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I wish to inform the hon. member that in the French-speaking units, as well as in the camps where French Canadians happen to be, military training as well as commands and exercises are given in the French language.

QUEBEC—REQUEST FOR INVESTIGATION INTO ARMOURIES

On the orders of the day:

Mr. Raymond Langlois (Megantic): Mr. Speaker, following the reply given a moment ago by the Associate Minister of National Defence, I should like to ask him whether he could have an investigation made in the various armories of the province of Quebec, and more particularly in Thetford Mines, in order to determine whether the situation is really such as he has described a moment ago?

Mr. Speaker: Order. I believe that, considering the fact that such a situation might have existed for some time and the fact that the hon. member has made his representations, the minister could consider the question as a notice.

(Text):

BUSINESS OF THE HOUSE

REQUEST FOR ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Mr. J. C. McNulty (Lincoln): Mr. Speaker, may I ask the Minister of National Health and Welfare whether he could give an answer tomorrow to question No. 178, in view of the urgency of part 6 of that question.

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I will certainly look into the matter.

BRITISH COLUMBIA

STANLEY PARK—RESTORATION WORK UNDER WINTER WORKS PROGRAM

On the orders of the day:

Mr. J. R. Nicholson (Vancouver Centre): Mr. Speaker, I should like to direct a question to the Minister of Labour and ask him whether it is too late to include in the 1962-63 municipal winter works incentive program for British Columbia a federal contribution toward the cost of restoring the vast areas in Stanley park damaged in the hurricane which recently swept through greater Vancouver?

Hon. Michael Starr (Minister of Labour): It is not too late, because the program for this winter only started on October 15. Stanley park is a federal government property leased to the city of Vancouver. Projects under this plan have been submitted by the municipality of Vancouver in former years. Certainly if the city of Vancouver submits other projects to the province for its approval, I am sure there would be no problem in getting approval from the federal government.

NORTHERN AFFAIRS AND NATIONAL RESOURCES

FURNISHING OF INFORMATION TO MEMBERS OF PARLIAMENT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Northern Affairs and National Resources, and I will try to ask it at a reasonable pace because we cannot expect the translators on either side to translate machine gun style speaking. Will the minister make arrangements for members to obtain from officials or members of the staff of the minister's department any technical information that they consider necessary in their study of any particular problem that is the concern of parliament?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I would be happy to consider a request for information on any subject which is within the province of this house.

FINANCE

ROYAL COMMISSION—INQUIRY AS TO HEARING OF WITNESSES IN CAMERA

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, on Tuesday the Prime Minister was good enough to say that he would inquire from the royal commission on

banking and finance whether it was their intention to hear any witnesses in camera, and would communicate that intelligence to the house. I wonder if the right hon. gentleman has had the opportunity to do that yet.

Right Hon. J. G. Diefenbaker (Prime Minister): I have no information on that matter, Mr. Speaker. As soon as I hear from the commission I will advise the house.

ONTARIO—INQUIRY AS TO LEGISLATION TO LIMIT INTEREST

On the orders of the day:

Mr. J. C. Munro (Hamilton East): Mr. Speaker, my question is directed to the Minister of Justice. Would and could the minister entertain taking immediate steps to bring a bill before the house embodying either similar or identical terms as those in the unconscionable transactions act of Ontario which was overruled by the court of appeal?

Hon. Donald M. Fleming (Minister of Justice): Mr. Speaker, the decision to which the hon. member refers was handed down only 48 hours ago by the Ontario court of appeal. There may or may not be an appeal taken from that decision. The whole subject will receive proper study.

Mr. Munro: On a point of order or as a supplementary question, the import of my question was whether or not the minister could see any harm in having a bill immediately—

Mr. Speaker: Order. With all due deference to the hon. member, he may not comment on the nature of the reply.

(Translation):

CANADA COUNCIL

INQUIRY AS TO INVESTMENT OF FUNDS

On the orders of the day:

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I received, last week, the report of the Canada Council for 1961-62. I should like to direct my question to the Prime Minister as the letter is addressed to him.

In this report, there is some question about what has been done with the amounts of money supplied by the federal government's Canada Council. At a certain point, it is noted that a great proportion of those amounts has been invested in finance companies.

Mr. Speaker: Order. I am very sorry, but I find, even if the hon. member has not finished asking his question, that it is not in order, because it has not the character of urgency which would justify its being put during the question period, on the orders of the day.

Mr. Gregoire: Mr. Speaker, I did not even ask my question. You cannot know whether it is urgent or not. May I ask my question?

Mr. Speaker: What the hon. member has in his hands is a report made available to the public some time ago. According to this report, the Prime Minister was referring to a committee. Consequently, discussing the report in detail is not acceptable at this time.

If the hon. member intends to insist upon some information, I would suggest that he put his question on the order paper.

LENDING OF GOVERNMENT FUNDS TO FINANCE COMPANIES

On the orders of the day:

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to put a question to the right hon. Prime Minister. Is the Prime Minister aware that government money is being lent, at interest rates of 3½ per cent, to finance companies which, in turn, lend it to the Canadian people at 30 per cent?

Mr. Speaker: Order. I should like to remind the hon. member for Lapointe that his question or comments are not in order, since he is giving us information or expressing opinions.

(Text):

CANADIAN NATIONAL RAILWAYS

BRITISH COLUMBIA—PROPOSED DISCONTINUANCE OF TRAIN SERVICE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct to the Minister of Transport a question which first requires a slight explanation because it involves earlier questions which I directed to him. On October 16 I asked the minister whether he was in a position to reply to questions which I had asked earlier about trains nos. 195 and 196 of the Canadian National Railways and trains nos. 3 and 4 in the western part of the country. The answer the minister gave me on October 16 was that he was going to write me a long letter containing all the information.

I should like to ask the minister now whether he will write me another letter or give me an answer to the question I asked with respect to the safety of the employees concerned, their employment, what the government is doing about it and also with respect to what plans the government has to deal with the proposed discontinuance of trains nos. 3 and 4, none of which information was contained in the letter.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I shall be very pleased to carry on such an interesting correspondence with my hon. friend, and I will answer his questions in writing.

Mr. Howard: I have a supplementary question, and it is this. Would the minister be concerned about doing something with regard to the problem and never mind engaging in correspondence.

TRADE AND COMMERCE

DELAY IN PRESENTATION OF DEPARTMENTAL REPORT

On the orders of the day:

Mr. J. R. Nicholson (Vancouver Centre): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Can the minister give us the reason for the delay in presenting the report of the Department of Trade and Commerce for 1961, which I believe was due yesterday?

Hon. George H. Hees (Minister of Trade and Commerce): Yes, Mr. Speaker, for some time I have had copies of the report in English but have been anxiously awaiting the production of the copies in French. However, as they have still not arrived I have today tabled the required copies of the report in English. The copies in French will be tabled immediately they are available.

INQUIRY FOR RETURN

REDUCTIONS IN 1962-63 ESTIMATES

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I could ask the Minister of Finance, in view of the fact that a question which was made an order for return related to the estimates which he brought down today, whether it would be possible for him to expedite the return to question 218 in my name so that the answer might be available in time for the consideration of interim supply.

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, I will check on that matter and try to facilitate the hon. member.

FISHERIES

NEW WATERFORD, N.S.—REQUEST FOR ASSISTANCE TO ESTABLISH PERMANENT INDUSTRY

On the orders of the day:

Mr. Malcolm MacInnis (Cape Breton South): Mr. Speaker, I should like to ask the Minister of Fisheries whether any representation has been received requesting federal government assistance in establishing a permanent fishing industry in the New Waterford area.

Mr. Speaker: I suggest to the hon. member that the question he has asked is one that almost all members whose ridings include on maritime areas could ask, and hence we could spend a good part of the afternoon on some sort of fishing expedition. I suggest that he put his question on the order paper.

Mr. MacInnis: I rise on a point of order, Mr. Speaker. I would just ask you to consider, with all due respect, that I think there is something of a difference between this question and similar questions from other constituencies in that, in the early part of August, a mine in this town was closed involving the displacement of some 914 men. These people—

Mr. Speaker: Order. I fully appreciate what the hon. member has said. However, I do not think that a discussion of a permanent fishing industry in the area of New Waterford is of sufficient urgency to be discussed at this particular time. I earnestly suggest to the hon. member that he put his question on the order paper, where he can expand on it and can get perhaps a fuller answer than he could get on the orders of the day.

PUBLIC SERVICE

APPOINTMENT TO CIVIL SERVICE COMMISSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Prime Minister. Will the Prime Minister assure the house that the vacancy on the civil service commission will be filled according to the merit system?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, all appointments made by this government are based on merit.

Mr. Knowles: Mr. Speaker, may I ask the Prime Minister if he will see what he can do to expedite the early tabling of the return ordered the other day about defeated candidates?

NATIONAL PARKS

ALBERTA—INQUIRY AS TO AVAILABILITY OF REPORT

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Northern Affairs and National Resources a question. Was a report on plans for a national park presented to a public meeting in Alberta

two days ago? If so, what responsibility did his department have for this report and is it available to members of the house?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Yes, Mr. Speaker, the Oberlander report was presented at a public meeting in Banff on Tuesday evening. This is a report prepared by a firm of community consultants. It will be studied by the department and any decision as to making it available to members of the house will have to be made following departmental study.

Mr. Fisher: Is the report available to members of parliament at the present time?

Mr. Dinsdale: No, not at the moment.

FARM CREDIT ACT

PROVISION FOR INCREASE IN LENDING CAPACITY

The house resumed, from Tuesday, October 16, consideration in committee of the following resolution—Mr. Hamilton—Mr. Chown in the chair:

That it is expedient to introduce a measure to amend the Farm Credit Act to increase the capital of the Farm Credit Corporation from $12 million to $16 million so as to increase the lending capacity of the corporation from $300 million to $400 million; and to provide further for certain changes in connection with the administration of the act.

Mr. Roxburgh: Mr. Chairman, before I deal with this matter I wonder whether the Minister of Agriculture has any statement to make first. If not, may I say that I have in my hand the report of the Farm Credit Corporation for the year ended March 31, 1962 and I should like to direct hon. members' attention to the following under the heading "Crop Share Agreements":

During the fiscal year, 354 farmers in the spring wheat area of western Canada entered into crop share agreements with the corporation providing for the repayment of their loans by annual amounts related to the crops grown rather than by fixed annual instalments.

I quite realize that the government have not been given too much credit recently for some of their policies, but at this time I should like to give credit to the Minister of Agriculture for bringing this program forward because it is most important so far as specialized crops are concerned. In the county of Norfolk from which I come, and where tobacco is the main crop, this idea has been in effect for some time in regard to loans from individual moneylenders who take payment from the crop harvested.

I want to bring to the minister's attention that so far only these 354 spring wheat farmers have been covered under the legislation, and in my view every farmer who grows a specialized crop should be able to have the same plan. We know it is utterly impossible to do this on general farms, but there is no reason why this provision should be limited to any one group of farmers. I suggest to the minister that it should be extended to cover farmers all the way from the east coast to the west; onion growers, the fruit growers of British Columbia, the tobacco growers of central Canada and the potato growers of the maritimes. There is no reason why it should not be extended.

One of the main reasons for this type of financing for specialized farming is that while the farmer has a chance of making a lot of money one year, he also has a chance of losing a lot of money another year. I have known a tobacco grower who has done very well in one year, and for the next two years has been wiped out by either hail or frost. Under the regular plan he still has to meet his obligations, and in some cases he has to go to the bank to finance a loan so that he can at least pay the interest on his mortgage.

By doing it this way it means that whatever the agreement may be, whether it is 25 per cent of the crop return, or 15 per cent, or whatever it may, that amount is taken out. If the farmer has a good crop, then he makes a good payment. If he does not have a good crop, he does not make any payment. Under the old plan, as I explained previously, he would have to meet his payment anyway. I suggest to the Minister of Agriculture, therefore, that he extend this privilege to the farmers growing specialized crops from coast to coast.

There is another situation which I should like to bring to his attention. I refer to the movement of youth from the small farms in Canada, for many reasons I shall not go into now, to the urban centres. The mother and dad are left to run the farm, and today that is out of the question. I know of many cases in which buyers have been interested in taking over these farms, but because of the tight restrictions under the present set-up of the credit corporation, they are not able to get enough money to carry these farms. There are hundreds of people throughout Canada who are in this position, and, as a result, farms are lying idle. I know many of these people eventually go to the moneylenders.

I am going to tell you something right now. I know that in our district many of these people are not charged 5 per cent or 6 per cent, but must pay 7 per cent or 8 per cent, and I have known cases where 9 per cent has been charged. In some instances after the mortgage has been paid off they have to give the gentleman another $1,000 or $2,000, depending on the size of the mortgage. I feel keenly about this. I feel that if the people on the smaller farms were

given the privilege of making use of the lower interest rates available under this plan, many of these farms would be put to good use.

In addition, the human element is not taken into consideration in a lot of these cases. I come from a county in which there are many who we will not call new Canadians, because they are Canadians, but for the purpose of this illustration I will call them new Canadians. They are people who have come to this country and their heart is still with the soil. Many of these people have taken over farms such as the ones to which I have referred and have made a success of them. However, as a result of their inability to acquire money at a reasonable rate of interest, they are having difficult times.

I should like to mention that under the old farm loan board, when an individual made an application to the representative it was passed on to the man who checked the farms. At one time the fee was $10; later it was raised to $15, before the new board took over. I mentioned the fact that the new board is now charging $50, and this was referred to by the hon. member for Assiniboia. If a man cannot raise $50, then what is the purpose of worrying about getting a loan on his farm? I know of one case where a young gentleman has a farm with a certain acreage of tobacco, and cattle. Actually he is a good risk but the unit is not large enough to qualify according to the representative, so he was turned down. However, an individual moneylender felt that he was a good risk so he lent him the money. However, instead of paying 5 per cent he is now paying 7.5 per cent. I should like to point out, therefore, that the human element has to be taken into consideration as well.

I should like to say, too, that in my district under the old board many more farmers were granted loans than under the present set-up. I will admit that more money is being lent under this set-up, but not to a greater number of farmers. In the first full year, which I understand ends on March 31, under the old board before the new board took over there was a profit of $277,938. Then the next year, the new board and old board together had a profit of $240,000. During the first full year of the new board the loss was $202,000, and I understand that in the final full year under the new board which ended March 31, 1962, it was $760,000.

Mr. Horner (Acadia): We are not in the business of making money on this sort of thing.

Mr. Roxburgh: That might be all right, but the old board made loans to more small farmers and still showed a profit. Then I should like to bring to the minister's attention—

An hon. Member: They never lent much to the farmers.

Mr. Roxburgh: Are you finished talking over there? Because I think I have something to say with which, when you hear it, you will be in agreement. I just want to bring this to the minister's attention. You know, there is something we forget about today. It does not make any difference whether it is hockey, the township council, the municipal council or what it is; there is one thing we have in our mind, and that is dollars and cents. There are many things we forget about, but we should think of the moral fibre of the country and what brings it about. I want to say, and I think every hon. member will agree with me, that it was the small farm over the years, before the great cities were formed, that were the very basis of Canada. I would say that a great many hon. members originally came from small farms. They must remember mornings when they were young, mornings when they kicked their feet through the wet grass going after the cows, the times they crawled up a tree to see what was in a robin's nest, and the times they went down to the old swimming hole. There is something about the earth and the sky which brings us a little closer to God, and we must contrast that with the hustle and bustle of city life. Being close to nature we have a little more understanding, and that of itself brings us closer to God.

We in the Liberal party are not seeking donations for the small farmers. As the hon. member for Assiniboia pointed out, they are the best risk in Canada in terms of dollars and cents. All we are asking is that the Minister of Agriculture give them a break; because now more than ever before, with the world the way it is, we need the help of the small farmers in carrying out our work in the Dominion of Canada.

(Translation):

Mr. Vincent: Mr. Chairman, as a farmer and on behalf of the farmers in my riding, my province and my country, I am happy to support the program put forward by the Minister of Agriculture (Mr. Hamilton) because the purpose of this bill is to increase the lending capacity of the Farm Credit Corporation.

In addition to further extending benefits under the act, the house is now called upon to endorse an increase of the corporation's capital from $12 million to $16 million. This means that the corporation will therefore offer farmers an additional $100 million, or a total of $400 million.

The federal Farm Credit Corporation as reorganized in 1959 under this administration, is made of highly experienced men who have at heart the successful operation of the corporation and the consequent welfare and success of the farmers.

At this time, I should like—on behalf of the government—to reiterate all the confidence we put on those high officials and to remind them that we, as supporters of the government, also wish every application for loan or inquiry submitted by the farmers to be most carefully considered. In my opinion, a farm adviser, can, through his actions, insure either the success or failure of a farm. That is the reason why he must consider each case with the greatest care. If it is a small farm it may be an economical unit—especially if it is a family undertaking—that assures the livelihood of the whole family. Therefore with the help of a good adviser and with a little more money this farmer can organize his farm and draw a better living from it.

Up to now, having had the advantage to see at close range the work done by these officials, I suggest that we cannot but commend them and advise them to continue their good work, putting all their energy and talent to the service of our farmers.

In other words, it would be unfortunate that their work should become a routine; it would be really unfortunate for that group in our society, that I respect and love and that we should help.

Mr. Chairman, before this government took over, the act governing this corporation was under the minister of finance. I notice that some new members find that rather strange. But, through the present government, the act passed under the authority of the Minister of Agriculture, which is more logical.

Moreover, at the time when the act was revised, an advisory committee was set up by the government to represent farming associations. That advisory committee also speaks on behalf of the farmers, who are in a better position to make recommendations to the minister or to the government than the hon. member who has just resumed his seat and who, in my opinion, does not know very much about the Canadian Farm Credit Act.

The function of the advisory committee, Mr. Chairman, is to advise the corporation and make recommendations to the Minister of Agriculture in order that he may amend the administration of the act, as required.

[Mr. Vincent.]

The additional amount of money which the government is asking the house to vote will enable the Farm Credit Corporation to increase the loans granted to Canadian farmers.

In the course of the present 1962-63 fiscal year, nearly as much money will be lent to Canadian farmers by the Farm Credit Corporation as was lent by the Liberals over a period of 22 years.

Loans to be granted this year by the Farm Credit Corporation will amount to approximately $85 million, while the loans granted by the Liberals over a period of 22 years reached only about $102 million.

Moreover, although the hon. member who just resumed his seat said that under the previous act more farmers were granted loans, I find on page 24 of the Farm Credit Corporation's report that in 22 years the Liberals extended credit to approximately 15,000 farmers, while the Conservatives, in five years of administration, lent money to 14,000 farmers. In addition, this year included, the government will have granted over $300 million in loans to Canadian farmers within six years. For instance, in British Columbia, this year, the amount of loans went up by 18 per cent, compared to last year; in Alberta, there was a 22 per cent increase; in Saskatchewan, an increase of 11 per cent; in Manitoba, 22 per cent; in Ontario, 11 per cent, while in the province of Quebec, the increase was of 370 per cent.

The hon. member for Argenteuil-Deux-Montagnes (Mr. Drouin) was quite right in saying the other day that it was not thanks to the Conservatives but rather to the Liberal government of Mr. Lesage that those loans were being granted in the province of Quebec. As a matter of fact, a farmer in my riding applied to the province for farm credit after June 1960. He learned in June 1962 that he was being granted a loan for $5,900. This farmer got angry and said he did not want the loan. He then applied to the Farm Credit Corporation and in August 1962 was granted a loan for $11,200.

Such is the difference between a government which looks after farm people and the other which is reluctant to lend money to farmers. Such is the difference between a party respected in the province of Quebec and the Liberal party which has always sought to sabotage the Farm Credit Act. We had an example of this in 1940; we have a further example this year, in 1961-62.

Mr. Chairman, that additional amount which we are requested to put at the disposal of the corporation will enable them to lend

$100 million more to Canadian farmers, which will help them increase their income.

The other day I heard the hon. member for Assiniboia (Mr. Argue) tell us that the net income per farm in Canada had constantly decreased. All farmers in Canada are well aware of the difference between net income and actual net income. For instance, in 1954, according to the dominion bureau of statistics, the actual net income per farm in Canada averaged $1,902. Now, that amount increased year after year until today, when it amounts to $2,797. It is true that the four western provinces have higher incomes than we have, that Ontario has an actual net income of $2,629, while in the province of Quebec, the income is only $1,946, and that in the maritime provinces it is still lower. That is the average according to the dominion bureau of statistics for the year 1961.

Mr. Drouin: May I ask the hon. member where he took those figures?

Mr. Vincent: Of course; I took them exactly where the hon. member for Assiniboia took his. Those are the figures for the actual net income. There is certainly a difference between net income and actual net income. Anybody who knows anything about agriculture, anybody who is in close contact with farmers can see the difference between net income and actual net income.

Mr. Drouin: May I ask the hon. member where he got his information and figures?

Mr. Vincent: The dominion bureau of statistics, Department of Agriculture, Ottawa. You can write to Mr. Chagnon, the deputy minister. Do you also want the telephone number?

Furthermore, we need in eastern Canada, especially since June 1960, farm credits which will really provide our farmers with money. When I look at the amount the Minister of Agriculture will make available to the Farm Credit Corporation, I would say that, normally, were I not sure that important events will happen in Quebec next November 14, we would certainly need even more money.

The hon. member, speaking of agricultural matters on behalf of the Liberal party, asked himself why the federal Farm Credit Corporation had scarcely made any loans in the province of Quebec prior to this year. Well, the answer is simply that the provincial Farm Credit Corporation, in 22 years, under the Liberals, made loans amounting to $200 million to Quebec farmers, because this act is almost non-existent and inoperative under a Liberal administration. That, Mr. Chairman, explains why the federal farm credit is helping our farmers re-organize their farms into strong units which will provide them with a decent living.

The Minister of Agriculture stated in a speech he gave in Joliette that he was going to do for eastern Canada exactly what he had done for western Canada; those words were heard by the farmers of the province of Quebec.

Mr. Drouin: That is why they voted for Social Credit.

Mr. Vincent: We are going to keep an eye on him. We are going to call upon him to work in eastern Canada just as hard as he did in the west.

Mr. Chairman, there is another thing on which I would like to draw your attention, concerning what the federal Farm Credit Corporation has done. We have agricultural advisers throughout Canada, in offices where farmers may go and discuss their problems. These advisers, when they meet a farmer, will fill out an interview form. As the hon. member of the opposition pointed out the other day, the eleventh question on this form is: Is this person acceptable? Does this person or this firm qualify under section 12(1) of the regulations? This is the question which the adviser is asking in order to check whether the farmer meets the requirements of section 12(1). There is also section 12(2). This is not an arbitrary question which can be judged by the agricultural adviser.

That is the difference between those who really know the score as regards the Farm Credit Corporation, who know that this corporation lends money to farmers to help them organize their farm, and those who know nothing about it. In reply to the hon. member for Bonaventure who claimed the other day that the federal government promotes mainly the purchase of farm machinery and forgets the land itself, I would like to refer him to page 21 of the report, where we can see that in 1961-62, 57.8 per cent of the loans were granted for the purchase of farmland while only 1.3 per cent were granted for the purchase of equipment. We have another act under which the farmers can secure assistance to purchase machinery, especially for the organization of the farm.

Mr. Chairman, I do not want to deal at too great length with this resolution but when we hear statements like the ones which were made the other day by the hon. member for Argenteuil-Deux-Montagnes (Mr. Drouin), when he stated that the corporation lends only to those who need it the least—

An hon. Member: Which is true.

Mr. Vincent: In fact, the hon. member's exact words are recorded on page 198 of *Hansard* for October 4, 1962. They read as follows:

> The fact is that the guarantees asked for in practice are such that most applications are rejected.
>
> The corporation grants loans only to those who need them the least and it asks more in the way of guarantees than any bank would, and that is saying a good deal.

Mr. Chairman, if that was the situation during the 22 years that our Liberal friends were in office, things have changed. As I said, more money will be lent in the year 1962-1963 only, than during the 22 years of Liberal administration.

Consequently, I would ask all hon. members to study thoroughly and seriously the Farm Credit Act. I would suggest that they meet with high officials of the corporation, that they talk with them and, finally, that they get in touch with the officials in their own provinces to see what the corporation can do in each case and how the act is administered. Thus, when farmers come here to complain—because some applications will surely be turned down—they will be in a position to discuss with those officials, to air their complaints and to co-operate more fully with the employees of the Farm Credit Corporation.

I also suggest that the advisory committee —which was set up in 1959 to represent farmers and farm organizations and which does not sit on the board of directors but advises the minister—should meet at least three times a year in order to speak more than it does for farmers and farm organizations and to give the information needed for the continuous improvement of this act, although its present administration is most satisfactory.

We, the Conservatives, are always practical people. We know there is always room for improvement as we knew, when this advisory committee was set up, that they would suggest improvements to the act, improvements which we continually introduce because we can depend on the co-operation of a Minister of Agriculture who understands the needs of the eastern farmers as well as those of the western farmers.

Mr. Gauthier: Mr. Chairman, it gives me pleasure to rise for the first time in this house, first, to congratulate you and also, to give my views concerning the farm measure before the house.

The riding of Roberval I have the honour to represent is partly industrial, but mostly rural. Therefore, I am quite at ease to comment on this matter.

I thank the Minister of Agriculture (Mr. Hamilton) for giving us another opportunity at least to discuss agriculture.

For many years, I have been noticing a steady decline of agriculture in Quebec. And that is where I find myself in opposition to the statements of the minister. Indeed, our agriculture has declined and will keep doing so because the more we legislate, the more the farmer is getting into debt. That fact is substantiated by the bill itself. Therefore, you must anticipate again sharp decreases in the coming years because you have to increase the farmers' debt from $300 to $400 million and yet, we, in the Social Credit, maintain that $500 million should be voted to meet the needs of the farmers.

Mr. Chairman, there is certainly something wrong in this chamber; some members have lost touch with the realities. And to prove my point, I refer you to the newspaper *Le Devoir* which says today that the Minister of Agriculture has warned eastern farmers to reduce their production by one third, otherwise the subsidies will be abolished.

Mr. Chairman, I wonder if the minister gave serious thought to the thousands of Quebec children who do not have the six cents they need to buy a half pint of milk.

Mr. Chairman, since when can one become a millionaire by piling up debts?

We, in the Social Credit, are aware of the frightening chaos towards which our agriculture is moving under this system of debt-money. This system does not make sense as any normal man can see right away.

Is it possible, even when talking about agriculture, to be ignorant to the point of taking a debt for a credit?

Mr. Chairman, that is where we have been led by the despicable monetary system we are forced to use.

Our good friends in the old parties remind me of the galley slaves in centuries past. Their slavery has become a way of life, to the point where they now lack the strength to look up and see the immense potential of their country. That means, Mr. Chairman, that we do not have even the hope of a true agricultural reform in our country.

In fact, Mr. Chairman, in the agricultural field, even more maybe than in any other, we have our own financiers. Let us not look in other countries to find the cause of our present problem; let us look at home first.

First they started by grabbing a bag of potatoes, a bag of carrots, one of wheat, then two, three, ten, twenty . . . and this was not serious in the eyes of our small profiteers. But today we have come to the point where they get more money out of the product than the producer himself. And that is precisely at this stage that the situation has become critical for our farming industry. The little financiers of yesterday have become so important that there is nothing left for the producers. And rest assured that the people know it today because we have kept them informed. Besides, I am not concerned about the fate of our Canadian financiers, past or present, because "their country has served them well".

However, if we must choose the lesser of two evils and if we persist in refusing to use the numerous facilities of the Bank of Canada in agricultural matters, which would allow the farmers to get credit instead of getting into debt, we encourage increases of the amounts made available to the Farm Credit Corporation—or even better, of our agricultural debts. But we, from the province of Quebec, claim at least the right to get into debt on a comparable degree with the citizens of other provinces.

And to do so it will be necessary to lower the floor in order to promote the development of our family farms.

We are maybe unique but it must be recognized that we are neither socialists nor government control supporters. We believe in the family industry; we believe in the family farm, and we shall never go for the collective farms Moscow style.

In order to promote family farming in Quebec, the minimum loans should be at least $2,000.

We are absolutely convinced, however, that if our farmers were getting fair prices, under an agreement with the western provinces, very small loans only would be needed to support their efforts.

Therefore, instead of granting only a few large loans for the benefit of only one small group of farmers, the government should put small loans at the disposal of all farmers who wish to improve their family farms.

Mind you, Mr. Chairman, it is not necessarily the few hundred industrial farmers who need those loans, but rather those who by the hundreds must abandon their farms each year, because governments gave more thought to the rich financiers than to the common man. We suggest, in addition to that, that all those small loans be granted without interest, that is at cost.

The former governments disregarded seriously their duties by letting those courageous farmers perish.

Since coming to the house, I have been wondering whether the members favourable to financiers outnumber those who favour our farmers. And yet we were all elected by the people and for the people.

I admit that many members of the old parties did not show their true faces to their electors. We have had proof of it these last few days. While we were discussing certain resolutions dealing with important improvements for our agriculture in Quebec, resolutions entirely favourable to Quebec farmers, we saw the great protectors of finance rise in all their dignity to kill those motions in the bud, without permitting them to see daylight. That is why I declare that as long as financiers control the destiny of our agriculture, we shall have to suffer the logical consequences: debts.

After all that, do not wonder any more why the people voted Social Credit. But do show resoluteness right away because the next time the people will vote in the Social Credit to obtain a new deal for agriculture.

Agriculture is the basis of our economy, the same as the citizen, the worker, the farmer are the basis of our society; and this worker, this farmer, can only find security and freedom in Social Credit.

When Social Credit policies are implemented we will then see a return to the family farm type of operation, with the small homesteader surrounded by his nice large Canadian family. Then will we prove to the face of the earth that it is not the big trusts but the community of large families living in peace and justice which make for a great nation.

There are some slights, Mr. Chairman, that a child cannot forget. Indeed, we are sons of the soil and we are despoiled of our heritage by the trusts, the finance companies which are extensions of the chartered banks. Nowadays, we are reduced to the status of mere slaves, mere leaseholders in a country said to belong to us.

And those same private banks wield a right of life and death over the whole of our farm economy because irresponsible governments have left them entirely free to give birth to that terrible credit-money.

And the more one cries, the more finance tightens the screw, and the more it orders its acolytes, the governments, to punish the people through austerity.

Mr. Chairman, we must today face the dour reality, not to hide our heads in the sand ostrich-fashion, but to send forth a SOS to all people of good will, and to enable the farmer to live a decent and honourable life on his farm, in his country, Canada.

(Text):

Mr. McNulty: I would ask the Minister of Agriculture to add to his amendment to the Farm Credit Act a clause allowing for an increase in the maximum amount of the standard loan to $30,000 and an increase in the maximum amount of the supervised farm loan to $40,000. This amount may seem like a great deal. However, most of the farmers in our area consider themselves to be small farmers in the sense of property but big farmers in the sense of production. I make this request because there are many independent farmers who are unable to make from their present holdings sufficient profit to provide for adequate family living. Then there are family farming corporations with the same problem only in a broader sense. Both groups are unable to borrow enough money at a reasonable interest rate to extend their holdings so as to make their modern farming hopes possible and reasonably profitable.

Most of the farms in our area have belonged in the same families for a great number of years, many of them leading back to crown grants in 1790 and so on. These people are extremely proud of the fact that their families tend to stay on the farm and they would like, if possible, to preserve that tradition. I know that, in a great many instances, only an increase in the maximum amount of these specific types of loans will make this objective possible for our people.

Mr. Horner (Acadia): Mr. Chairman, I have been interested in this legislation for some time. In fact, I spoke at some length on it the last time it was brought before the house in 1961 and I suggested some changes at that time. I do not intend to deal with those particular suggestions again, although I have hopes that they may be incorporated in the bill when it is before the house. The bill to be based on this resolution in fact will increase the capital of the Farm Credit Corporation from $12 million to $15 million so as to increase the lending capacity of the corporation from $300 million to $400 million. In that sense this is a regular step because, when this government took office, the capital of the Farm Credit Corporation was $4 million, with a total lending capacity of something like $80 million. Certainly under today's modernized system of lending money to farmers, this amount would no longer be sufficient to make it possible to handle the amount of loans outstanding. At the present time the loans outstanding amount to approximately $200 million. They have been made within the last three years.

Actually I was greatly interested in the remarks of the hon. member for Roberval. He dealt at great length with the Social Credit theory of finance. It is interesting, Mr. Chairman, to compare his remarks with regard to capital with those of the leader of his party. The leader of that party said, as found on pages 602 and 603 of *Hansard*:

> I believe the capital for this type of credit, rather than coming from tax capital ought to be available from private investment capital because it is productive capital.

In other words, the leader of the Social Credit party wants private investment capital to do this job and, as near as I could gather, the other member wants the government to print the money. That is quite a difference between two very able spokesmen for their party. So far as private investment capital is concerned, I wonder where you would get private investment capital to make long term loans to farmers at 5 per cent interest. I wonder how this could be accomplished in today's business circles.

An hon. Member: Not now.

Mr. Horner (Acadia): I hear "not now" from some hon. member over on the Liberal benches. When dealing with interest it is interesting to point out that when such legislation was first introduced in 1929 the Liberal party was in power and there was a 6½ per cent interest rate on all money lent to farmers at that time. That remained in effect until a Conservative government reduced it to 5 per cent.

Mr. Argue: You are the only party that reduced the ceiling maximum.

Mr. Horner (Acadia): My friend from Assiniboia had a lot to say in this debate. He was waving his arms and doing a lot of shouting.

Mr. Argue: Just another Hornerite.

Mr. Horner (Acadia): I realize the hon. member referred to the good Lord in his speech and maybe this classifies him as a Hornerite, but I would doubt it. I think he would have to go further than that in declaring himself. It is interesting to note that in his remarks he urged at some length that this bill should be sent to the committee on agriculture. Oh, it was a must. Hon. members must study it. All of a sudden this party is interested in the small farmer. What did they do when they were in power for 22 years? Could a small farmer get a loan? No, the small farmers got nothing from them. The only people who could get loans when they were in office were those who did not need the loans, those who had the financial backing to enable them to get money from any source. They were the only people who could get loans when the Liberals were in office; but now all of a sudden the Liberals are worried about the small farmers.

Let me get back to where I was. The hon. member spoke about referring the bill to the committee on agriculture. I was a member of that committee in 1958 when this legislation was last studied. The member for Assiniboia was also on that committee. He was present at the first meeting when the committee was set up and the chairman and vice chairman were chosen. Did he attend another meeting? Did he ask any questions of the then chairman of the farm loan board? No, he never attended one meeting. That is how interested he was in this legislation in those days.

Mr. Argue: I was sitting in the House of Commons.

An hon. Member: He was a socialist then.

Mr. Horner (Acadia): He was a socialist then.

Some hon. Members: Order.

Mr. Horner (Acadia): Who is calling order?

Mr. Argue: A point of order.

Mr. Horner (Acadia): The chairman has to recognize him, not I.

The Chairman: The hon. member for Levis on a point of order.

(Translation):

Mr. Roy: Mr. Chairman, I realize that the hon. member has learned his speech by heart, but would it be too much to ask him to speak more slowly to give the interpreters a chance.

(Text):

Mr. Horner (Acadia): Believe me, I was not trying to upset any record established by any other member. That is the farthest thing from my mind. I am simply vitally concerned about this legislation and some of the remarks made by members who are now all of a sudden interested in the small farmers.

I will start again where I left off. The hon. member for Assiniboia was then with the socialist party. He was the leader of that party and often in the house at that time he wanted various measures sent to committee. Yet he never or very rarely attended committees. But he had a perfect excuse in those days. He said, "I am the leader of the party; I could not attend because I was too busy". He may have more time now.

Mr. Argue: I have, a lot more.

Mr. Horner (Acadia): If he was interested in this legislation in 1958, it is strange that he never had one of his eight disciples attend the committee to ask questions on his behalf. Not one of them ever attended or asked a question. I do not know where he was. Maybe he was looking for the leadership that caused him so much disappointment when he did not get it.

The hon. member for Assiniboia dealt at great length with farm conditions today and the dire need of the farmers for a stepped-up program of farm loans. I should like to deal for a minute with farm conditions as they appear to me. There was a great deal of verbiage from the member for Assiniboia. At one time he declared that the act was a dismal failure and he wanted a great many things done about it. He also dealt at great length with the net income figure for farmers. He did not realize that the bureau of statistics net income figure—maybe he does but I will point this out for the benefit of the committee —includes two educated guesses which can lead to a great deviation and variation in the net income figure.

People from some parts of the country may not be aware of farm conditions and if they want to take a quick look at the situation I suggest they should look at the realized net income figure, which is much more accurate. They will get a more accurate picture of the situation in western Canada. What has been the picture in the last few years? In 1950 and 1951 prices were at a high peak. Then they slowly declined until 1956 and 1957. But when the present government took office the prices that farmers received for their crops, wheat, cattle and hogs, began to increase slowly. This can be seen quickly by looking at the bureau of statistics agricultural price index.

What is the condition with regard to farmers in western Canada today and what was

it last fall? Because of this government's aggressive wheat export policy we have sold and exported more wheat in the five years we have been in office than the previous Liberal government did, and if members of that party in the corner want to check the figures I suggest that they get the Canadian wheat board report for the year ending in 1962 because the figures are there. We exported more wheat in the last five years than the previous government did in the last five years they were in office. This created a situation where last fall farmers for the first time were able to sell their wheat at a good price. It created more optimism on the farms last spring than has been evident for years. The optimism that existed last spring on the farms of western Canada is quite evident from the representation here in the house.

Mr. Argue: Not much optimism out there now.

Mr. More: You had a tough time getting here.

Mr. Argue: Listen to Regina talking.

Mr. Horner (Acadia): Actually, Mr. Chairman, I am rather doubtful with regard to where the hon. member found the farmers to be in such a poor condition. If hon. members will look at table 7 in the 1960 annual report of the Farm Credit Corporation they will see quite easily that a few years ago, in fact, as far back as 1957 and 1958, farmers were spending 60 per cent of the amounts borrowed from the corporation to pay off their debts, including arrears of taxes on their land. Today the direct opposite is the case. Farmers today are spending 60 per cent or nearly 60 per cent to purchase additional land to make improvements so that they will be better able to enjoy a standard of living more comparable to that enjoyed by other citizens in this country.

Mr. Argue: Because the neighbour threw in the sponge, could not make any money.

Mr. Horner (Acadia): The hon. member for Norfolk spoke at great length in this house. He spoke with some degree of authority or what appeared to be authority, and he was telling all hon. members to be quiet while he spoke. We, on this side, must hush up while he was talking. As soon as he finished his speech he left the house. He was not interested in the thoughts of any other person on this particular resolution. Of course, there is always the old excuse that some people believe they have nothing to learn; they know it all. This may be the case.

Mr. Argue: Where are the other Horners today? Where is your brother?

[Mr. Horner (Acadia).]

Mr. Horner (Acadia): Actually, Mr. Chairman, they are referring to other members in this house. They may be referring to the one who is representing this country over in Nigeria, or they may be referring to some other person. I am not sure. It is noticeable, however, that when a person arouses their interest they try to fight back.

I should like, on behalf of the farmers in Alberta, to thank the Farm Credit Corporation representatives in that province for the co-operation we have received. I am sure I am speaking for most of the farmers in my riding, and most of the farmers in the province, when I say we have received 100 per cent co-operation from the Farm Credit Corporation.

We had a great deal of talk from the hon. member for Norfolk and the hon. member for Assiniboia about this Farm Credit Corporation losing money. It does not interest me whether or not it is losing money; it is the farmer about whom I am concerned. If the farmer is making money, then I am happy. I was shocked to learn through this committee report I mentioned a while ago that in 1956-57 the farm loan board paid $40,000 in income tax. They made so much money they had to pay income tax. I ask for subsidized loans for farmers. I am not interested in seeing this particular board make money; I want the farmers to make money.

It took a great deal of work on the part of rural members to have a 5 per cent interest rate inserted in this legislation. We were guaranteed that the farmers would not have to pay more than that, no matter what the cost of borrowing money might be at any time. All of a sudden, hon. members are concerned that this is costing money; it is a terrible position. Well, I believe their concern is for the wrong party. The farmer is the man in whom I am interested. Actually, this is part of the partnership agreement this government enters into with the farmer. It is a partnership with the government to help the farmer gain a standard of living more comparable to that of his neighbour.

Actually, Mr. Chairman, I should like to suggest that when the bill is introduced it should contain some measure of leniency for those farmers about whom I spoke in my last speech on this particular subject in 1961. I refer to those farmers who are perhaps living in an area of well established farms in which it is difficult for them to find room for expansion. However, perhaps they find a quarter section they can buy, or a smaller piece of land, but perhaps it is not large enough to make their farm into what might be termed an economic unit. They would, however, be working towards establishing an economic unit. If the Farm Credit Corporation could

be lenient enough to see its way clear to help these farmers, it would be a good thing. It is my thought that if a farmer is allowed to expand a little today he might see a quarter section or so the year after which he would be able to add, and eventually form what the experts call an economic unit.

There are a few other thoughts I should like to leave with the committee. As I have said, I thank the corporation staff in Alberta for the co-operation they have extended to the farmers, particularly the farmers in my constituency who previously had difficulty in obtaining loans from the old farm loan board, of which hon. members opposite seem to be so proud. Today these farmers in my constituency are able to obtain loans. I hope the corporation steps up its program in this regard a little and perhaps will see its way clear to appointing an appraiser for this area who would be better able to make appraisals of this land.

There is one other point I should like to leave with the committee and that relates to the fees. Much has been said about raising the fees from $10 to $50. I find that the farmers do not mind the $50 if they get a loan. They are somewhat disgruntled if the corporation takes the $50 and the loan is refused. In my experience this has happened very few times in the province of Alberta. The corporation has been very careful not to take the $50 appraisal fee from any farmers whom they feel would not be entitled to the loan. I think this is a good policy, and I think it should be continued and extended right across the country. I feel that the regulations should be amended so that if a loan is not made no charge is made for the appraisal. This seems only logical because many persons applying for loans find themselves in a difficult financial position and $50 means a lot to them.

I know there are other members who wish to speak about this resolution. While I have some other views on it, I think perhaps they will all come out before this debate is over.

(Translation):

Mr. Matte: Mr. Chairman, the constituency of Champlain which I have the honour of representing, is an agricultural and an industrial one. It is a first class district, where you will find the beautiful national sanctuary of Cap de la Madeleine, which a number of hon. members have had an opportunity to visit.

What my fellow citizens want above anything else, Mr. Chairman, is to work for a living, so that they may raise their children and provide them with an education and put something away against the financial worries of old age.

All that our farmer wishes is to live off his farm. He is tired, and, if I may say, he is disgusted to be compelled to work in the bush in order to eke out a living for himself and his family, and sometimes to make up the losses incurred by his farming operations.

Moreover, our farmer wishes to live off his farm just as well as the worker, that is to say, with an hourly rate of pay comparable to that of any industrial worker, and proportionate to his investment.

His problems certainly are not solved, unfortunately, by the Farm Credit Act presently under discussion.

The eastern farmer has undoubtedly been cast aside, although he is responsible for the very survival of the cradle of our civilization. A great number of our most prominent men in public life have come from the farm, and the farmer, more than any one else, has learned that work is the road to success.

Moreover, he has acted as a buffer against the influence of the United States. The farmer from eastern Quebec, in particular, who owns a small farm on which he raised his family at great pains is on the verge of extinction if he is not given very special care.

The Farm Credit Act under study is certainly worthwhile and commendable, but it is not an answer to the existing problems facing the farmers in my district and in the whole of eastern Canada.

Ottawa has devised its farm programs and policies mainly for the benefit of western large scale farming. No one here will take exception to that, but for the last 75 years, all ministers of agriculture have been from the west and although they have been doing their best, naturally, perhaps they have not sufficiently understood, in depth, the problems of the eastern farmer.

The present federal loan program has hardly helped our farmers; indeed, since 1960 only six farmers from my constituency have taken advantage of this program, while several of them had applied for a loan.

Each week, I receive anxious requests from farmers in need of assistance. Are we still going to ignore them very long? It is up to the government to answer that question at once.

Small farmers applying for a loan are soon disillusioned when they realize that farm credit requires such conditions that only big wealthy farmers, having a very large farm, can take advantage of it. Small farmers back home—and they are the majority—are in no way assisted by the federal legislation we are now discussing.

Of course, it is necessary to offer greater advantages, more facilities to our small eastern farmers in order that they could take advantage of the act, and also intensify publicity in order to show that the Ottawa government is looking after them.

Those are, Mr. Chairman, the few remarks I wished to make on the Farm Credit Act we are now considering.

A moment ago, I heard the hon. member for Nicolet-Yamaska (Mr. Vincent) and his friends from the Union Nationale. I would have liked eastern farmers, those of Nicolet-Yamaska for instance, to hear their Conservative member publicly display his misunderstanding of the federal farm credit legislation. If he is a farmer himself, he is the more so inexcusable, when he says that the present federal legislation helps small farmers. He should make a personal investigation in his constituency or in mine. Not an investigation among the Tories but an impartial investigation among farmers. He would realize that eastern farmers are forgotten by the present government, and he would be convinced farm credit does not help adequately ordinary farmers.

Mr. Latulippe: Mr. Chairman, I wish to thank the government for what has been done up to now concerning loans granted to farmers through the corporation and the Department of Agriculture.

I congratulate the Minister of Agriculture (Mr. Hamilton) for having given us the opportunity to amend this legislation, so that it can be better suited to the needs of the farmers.

In the county which I have the honour of representing, most of the farmers complain bitterly of the fact that the government takes too much time in deciding whether a loan shall be granted or not, and they wonder why the corporation does not make the payment immediately after the application is approved. In fact, some farmers have to wait several months after the decision is taken.

Mr. Chairman, it is almost impossible for the small farmer to take advantage of this measure. The loans are based on an area of 50 acres of land well developed for farming operation. How can the small farmers, with only a few acres of developed land, extend their unit if they are not given the means to accomplish this? I, therefore, suggest that the responsible farmer should be allowed to take advantage of the act, so that he can make a living out of the income from his farm and be a real farmer at home, and not abroad. Half of the farmers from my county are working in the United States or elsewhere since they are not able to make a living out of the income from their farms.

The condition of agriculture is pitiful, as 75 per cent of the farmers of my riding very well know. In the last ten years or so, nearly 50 per cent of our farmers have left their farms; we are facing a state of emergency.

However, it must be known that the farmer is the foundation stone on which rests the structure of our social organization. Should the foundation of the building crumble, the whole society will topple.

Mr. Chairman, we conducted an inquiry in my riding with a group of small farmers to find out how much farmers earn per hour, on the average, when the work performed by all the members of the family is included. We came to the conclusion that the owner-operator of a farm would get as little as four cents per hour.

That is a real shame, Mr. Chairman. That is the reason the farmers are no more able to keep their boys on the farm, because everybody knows that farmers' sons are leaving the homestead where they were born.

Farmers are working 15 hours a day in order to be able to survive and not to take on more liabilities, and that because their income is inadequate. It is inconceivable that in this twentieth century, which is a century of progress, no greater consideration is shown to those to whom we owe our very life. The majority of our farmers live in units which are no more comfortable than those of their cattle. That is the reason for the massive destruction of farming in my riding.

Therefore I suggest that the amendment provide loans for all farmers—for the smallest as well as the biggest—so that they may have the financial facilities they need to maintain their families in comfort and, by this very fact, have a right to buy the mechanization required for the efficient operation of their farm, and at a reasonable price. They should, moreover, have the privilege to enjoy the lowest interest rate, that is a rate not higher than the carrying charges.

The government should not have to levy taxes on the other classes of society to pay interest to financiers. The Bank of Canada is at our disposal, as the hon. member for Laurier (Mr. Chevrier) said.

The hon. member told us that the Bank of Canada printed and controlled all this

country's money. If that is the case, let us make use of it to develop our natural resources in the best interest of the community, starting with our farmers. In this way, they will be able to become the owners of their farm without having to pay for their property three times over, at excessive interest rates. Lowering interest rates would contribute to lower production costs, for the benefit of consumers, and help Canadian producers as a whole.

All this would result in lower farm production costs, which would enable our farmers to compete with foreign markets.

That is my suggestion, Mr. Chairman. Hon. members of the house want better days and a more comfortable standard of living for our farmers, and if they are sincere about it, now is the time to prove it.

We should realize that farmers all need loans because they have to sell below cost, or because they cannot dispose of their commodities at all.

It is not by lending them money at arbitrary interest rates, by heaping debts on generations not yet born, that we shall get them out of this depression. Let us take practical and positive action by lending them money at just the carrying charge. I therefore agree with the hon. member who suggested that the charge of $50 be abolished which farmers who are taking on a loan now have to carry.

Mr. Chairman, because of my farming experience, I know very well that if we had had a stabilized economy which would have considered the buying power of consumers as primary factor, farmers would not now be obliged to sacrifice the hard work and the results of experience of generations gone by to be able to remain a little longer on their farm. They would be now property owners, and heirs of the toil, of the discoveries and of the assets of their forefathers.

But, with our dishonest system of debts, taxes, excessive interest rates, a system that is antisocial and adverse to the family, our governments—the servants of financiers—have let a few individuals seize the fruits of the toil of past generations as progress developed.

Mr. Chairman, the farmers want to live with dignity. They want their legal, vital and moral rights to be respected because they form one of the cells of our national economy.

Mr. Dumont: Mr. Chairman, I have a simple question to direct to the Minister of Agriculture (Mr. Hamilton). Would you permit me one question, one only?

The Deputy Chairman: Well, I am sorry but I must, as far as possible, call each member in turn and I believe I must at this time call the hon. member for Moose Jaw-Lake Centre (Mr. Pascoe).

Mr. Dumont: Mr. Chairman, one question only about the measure before us. May I?

The Deputy Chairman: Order. I think that the hon. member will have plenty of time to put his question to the Minister of Agriculture.

(Text):

Mr. Pascoe: Mr. Chairman, this is my first opportunity to congratulate you, and through you the chairman of the house committees and Deputy Speaker, on your appointments. I am sure the business of this committee will function very smoothly under your guidance. I also wish to congratulate the Minister of Agriculture for introducing this resolution so early in the session. I hope it will receive quick approval.

Hon. members of the official opposition indicated at the start of the session that their main purpose in parliament is to oppose and find fault with everything done by the government. The newly converted hon. member for Assiniboia finds it easy to follow this policy; he always criticizes and says he is speaking for the party to which he now belongs. But I do not believe hon. members of the official opposition will vote against the measure that is outlined in the resolution when it comes up for final reading. I think they will hesitate—

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

Progress reported.

Mr. Speaker: Order. It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills, notices of motions (papers) and public bills. As there is no business under the heading private bills, the house will first consider notices of motions (papers).

FINANCE

FOREIGN EXCHANGE HOLDINGS

Mr. John N. Turner (St. Lawrence-St. George) moved:

That an order of the house do issue for a copy of a table showing the changes in the official holdings of gold and foreign exchange, including United States dollars, held in the exchange fund account and Bank of Canada and showing "the total amount of exchange delivered to the market from the sales of foreign exchange", day by day, from April 9 to June 24, 1962, inclusive.

He said: Mr. Speaker, this being the first time I am on my feet in the House of Commons, may I use the opportunity to congratulate you on the position to which every hon. member of this house has elected you, a position of honour and responsibility unequalled in this house. Mr. Speaker, I will do my best, for my part, to abide by the rules of the house despite the pressures which may from time to time fall on me as a private member, the same pressures I have watched being applied to other hon. members in this house. I can say only that I will do my best to abide by the rules.

I should also at this stage like to recall to the memories and minds of hon. members the gentleman whom I replace in this house, Mr. Egan Chambers. Egan Chambers, as all hon. members who were in the house before the last election will agree, was a respected, a useful and a popular member of parliament. At the beginning of the campaign I knew him to be a gentleman; when the campaign was over I held the same opinion of him. I know him still to be a gentleman.

Mr. Speaker, the notice of motion before you concerns the production of documents, or the production of a certain table, and with the permission of the house I will dispense with reading it since it does appear on the order paper. Might I just say by way of explanation that what I as a private member have sought is a table showing the changes in foreign exchange reserves held by Canada on a day-to-day basis from April 9, 1962, which was the day before the last budget was presented, until June 24, 1962, which was the day on which the Prime Minister (Mr. Diefenbaker) addressed the Canadian people on television, when he announced a government program to relieve the pressure on Canada's dollar.

The Minister of Finance (Mr. Nowlan), to whom the notice of motion was addressed, under rule 47 of the standing orders had three alternatives. First he could have produced a copy of the table which I sought. So far he has not done so, although I imagine he still could. As the second alternative, on behalf of the government he could have refused outright production of the table, in which instance I might have had the opportunity to proceed and to call for a vote for its production at that time. The minister had a third alternative, which alternative he has chosen in lieu of the other two. Rule 47 reads:

—but if on any such motion a debate be desired by the member proposing it or by a minister of the crown, the motion will be transferred by the Clerk to the order of "Notices of motions (papers)".

That is what the minister has done. He has, in effect, transferred my notice of motion from a non-debatable one to the debatable one which appears on the order paper today, and for which initially an hour's debate is permitted. The proviso to the rule I have just cited, as I understand it—and I say so with the deference of one who has been in this house for only three weeks—is of two years standing only. In other words, it was sanctioned by hon. members of this house about two years ago.

To the best of my knowledge, the transfer of a notice of motion for production of papers from the non-debatable to the debatable list has been made only on three occasions. On each of the three occasions previous to this particular instance, the motion was transferred by the private member himself, and on the basis of that transfer debate was allowed. This motion today, Mr. Speaker, represents the first instance, to the best of my knowledge, sir, of a motion being transferred for debate at the instance of a minister of the crown.

Mr. Churchill: What about 1956, the minister of citizenship and immigration?

Mr. Pickersgill: Not under the new rule.

Mr. Turner: With respect to the interjection by my hon. friend, I believe that under the new rule there have been only the three instances I have mentioned.

Mr. Pickersgill: Correct.

Mr. Turner: Mr. Speaker, if I may, for a moment, draw Your Honour's attention to the type of debate which is permitted under this motion, I should like to refer you to two of the previous instances when the question arose of a transfer of a motion of this kind to the debatable list. I would refer you to *Hansard* for February 8, 1962, volume I, at page 682. At that time the hon. member for Skeena (Mr. Howard) presented a motion for the production of certain correspondence relating to extraterritorial waters. At that time Mr. Speaker Michener had this to say:

Before the hon. member proceeds further—

The hon. member being the hon. member for Skeena—

—with that line of argument I think I should say to him that my view of the scope of the motion is that it is limited to the desirability of the production of the documents. The motion is one calling on the government to produce the documents referred to in the motion. The question in issue is whether or not they should be produced. Production of them has been objected to. It would be relevant to debate whether or not the grounds of objection were sufficient but in my view it would not be relevant to debate what the government should be doing about the breadth of international waters. That is another issue.

Words to the same effect, Mr. Speaker, were again delivered from the chair by Mr. Speaker Michener on March 22, 1962, as reported at page 2071 in volume III of *Hansard*. That instance concerned a motion for the production of papers made by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) for the latest economic forecast at the time of the Department of Trade and Commerce. Mr. Speaker Michener again said:

The debate is on the issue of whether or not the government is correct in resisting the production of the documents.

In other words, I would respectfully submit that in relation to the particular question before Your Honour this afternoon the issue is whether or not the production of documents is relevant to a discussion which may or may not have taken place before the house. With your permission, I am going to define what I think is the issue.

There has been an argument in this house concerning whether the government, the present Conservative government, had knowledge of the exchange position of the country prior to June 18, which was the day of the general election, and whether this position in foreign exchange was serious enough to warrant the government's advising the country before the election. Mr. Speaker, there have been two sides to the argument. On this side of the house we, the party for which I am speaking at the moment, have taken the position, through the words of the Leader of the Opposition (Mr. Pearson), that the documents perpetrated what he termed a political fraud on the country. The other side of the argument, that advanced by the Prime Minister and found at pages 109 and 110 of the current *Hansard*, is to the effect that the crisis blew up suddenly, and that on or about June 15 there was—and these are my own words—a sudden summer June storm, the crisis blew up, and it was only at that time and subsequently serious enough to draw to the country's attention. I might say, Mr. Speaker, that the Prime Minister again made that argument last night on television on the program called "The Nation's Business".

The purpose of this particular motion for the production of documents falls, I would submit to Your Honour, within the scope of that argument. I have asked for an order of the house to the affected minister, the Minister of Finance, to produce a table to show parliament, and thereby the country, what the real position was, and whether there had been a serious loss in foreign exchange reserves prior to June 18. In other words, I am seeking, on the basis of the argument I have put to you, sir, to bring the facts by way of a notice of motion for production before this house and before the people.

The Minister of Finance, when he replies to this motion, may say that the figures I am seeking are privileged because it is the custom of the Bank of Canada to publish these figures on a monthly basis only. Perhaps under normal circumstances that might be a valid argument. However, I would suggest to you, Mr. Speaker, that the Prime Minister himself broke these figures down beyond the monthly limits when he replied to the Leader of the Opposition. As found at pages 109 and 110 of *Hansard*, he produced figures for the period from June 1 to June 14 where there was a loss of $128 million exchange; he produced figures for the period from June 15 to June 22 when the loss was $270 million; and he produced figures for the period between June 25 and June 29 when the loss was $115 million.

At that time the Prime Minister said that this procedure was not to constitute a precedent. However, it is my humble submission to Your Honour that it is the Prime Minister who has broken the precedent and that in equity it is fair that the figures should be broken down not only at his choosing but also at the choosing of any hon. member of this house. If the door has been opened by the Prime Minister, then I suggest to Your Honour that the rest of us are entitled to go through and to inspect the tables and the figures in question. If the situation were otherwise the Minister of Finance, the Prime Minister and the government as a whole would be suggesting for this house a double standard, namely one standard for the government and another for the opposition and the rest of the members of this house.

If I may, I should like to review just briefly the procedure adopted by the minister in transferring this motion to the debatable list for this afternoon. The hon. gentleman might say that he has done us all a service in that he has given me and the other members of this house the right to debate the motion, whereas under the standing order without the proviso it is not debatable. I would suggest to you, Mr. Speaker, that this is the first time under this new rule, now of two years' duration, that this type of motion has been transferred by a minister. The result may be that, if this motion be talked out this

afternoon in the one hour available, not only shall we not have obtained the production of the figures asked for but that we shall have lost our opportunity to vote on the measure. In other words, Mr. Speaker, I say to you that under this procedure parliament would be worse off than previously because at least previously we had the right to force a vote on the production of a document.

Some hon. Members: Oh, oh.

An hon. Member: Closure.

Mr. Howard: Getting close to the truth.

Mr. Turner: If I might do so, Mr. Speaker, I should like to examine the reason and again I do this with deference because of my lack of experience in this house.

Mr. Speaker: I might just here interject a little word of caution. Ascribing motives to hon. members on either side of the house, of course, is not in keeping with the traditions of this house. All I am doing is just issuing a word of caution to the hon. member.

Some hon. Members: Oh, oh.

Mr. Speaker: So far I have not heard anything that would infringe.

Some hon. Members: Oh, oh.

Mr. Speaker: That is all I am saying. Hon. members may be objecting now but I would point out that on other occasions they have been extremely sensitive when motives have been attributed.

Mr. Turner: May I then examine what I interpret to be the reasons behind the rule for the motion for the production of papers. As I said, I do this with the deference of one in my position. It seems to me that parliament has been so constructed over the years, by way of its traditions and the history of the parliamentary system, that it has its checks and balances. It has checks and balances so that the opposition and the individual members of the house can challenge and scrutinize what the government is doing. There are two primary methods for scrutiny, it would seem to me. The first is the method of questions with which I will not deal; it has had your attention very directly, Mr. Speaker, in these past few days. There is also the method of the production of documents whereby figures in the sole hands of the government can be demanded by opposition members, subject to the ordinary rules of public policy and privilege. What I am saying is that the procedure adopted by the minister could conceivably nullify the purpose of rule 47 for the production of papers by having the debate prolonged to such an extent that no vote could be taken forcing their production.

[Mr. Turner.]

(Translation):

Mr. Speaker, I should like to point out to my French speaking colleagues in all parts of the house that the purpose of the question now being considered is not merely to secure production of figures necessary to the public but also to protect the rights of parliament itself and of every hon. member.

If the debate is protracted, we shall have neither the figures nor the right to put the question to a vote in order to determine whether the government should produce them. To deny the production of documents is one thing, but to deny the right to vote is still worse.

(Text):

In conclusion, Mr. Speaker, if you will allow me just a minute or two minutes more, may I say this. In the alternative which the minister has chosen of opting for a debatable motion this afternoon he is entirely, I say with respect, within the rules of this house. However, if this option has the result of frustrating parliament not only by refusing production of figures but by prolonging debate beyond the time available for a vote, motions for production of documents will become a dead letter and the right of parliament to scrutinize and check the government will be infringed. I would therefore urge all members of this house to allow a vote to be taken this afternoon and to support the motion so that parliament and the public can obtain the facts with regard to our foreign exchange position prior to the date of the election and can make up their own minds as to who is right in the argument as to whether or not the government deceived the people.

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, my first words, of course, should be ones of congratulation to the hon. member who has just made a very effective speech on a very poor subject. I believe that to some extent he could have saved some of his breath, as he will understand before I sit down. I am not going to comment on the new rule. Technically he was correct in what he said about it. However, I might say that some hon. members do not have to recall to their minds the fact that in 1956, under a rule which had the same effect of transferring a debate, when a certain opposition was trying to have a matter brought forward a certain minister of the crown of that day who is now sitting not too far away from me at the moment, had a similar motion carried into debate, with only this difference. Under the old rule, that motion could not come up again during the session and parliament was frustrated. Under this rule we did this yesterday knowing we would be debating it today. That, of course, is just the difference between the two.

Mr. Churchill: Who was that member?

Mr. Nowlan: I will ask the hon. member for Bonavista-Twillingate (Mr. Pickersgill) to refresh our memories as to who that minister was at that time. Some of the remarks of the hon. member were largely technical dealing with the rule and I am not going to follow him in that course. With some of the statements of the hon. member I would agree entirely, in that banking procedures and the procedures of the Bank of Canada particularly should not be subjected to the production of detailed information such as requested in this motion.

I am glad that the hon. member said that he was speaking for his party because I thought it might be said that he was speaking only as a junior member without authority. I am glad to know he is speaking for his party when that party takes the irresponsible position of asking that this motion be brought forward and passed at this time because I suggest, as the hon. member said himself, that with regard to banking procedures, particularly those of the Bank of Canada, the central bank, in its dealings with other banks, where there are rules and limitations on confidence, the production of material, and so on, is a highly dangerous procedure and one with regard to which the bank should be protected at all times.

Although I am not entering into an argument on the point now, I would also question his statement that all information in the possession of a government should be produced at any time at the request of the house. If the house by a majority at any time ordered the government to produce such information, then that government would either have to resign or else produce the information. I would hope, Mr. Speaker, and I am confident that responsible members of the house, whenever a motion involving the ordering of the government or the bank to produce information which the government or a minister on his responsibility said was confidential and privileged and should not be produced, would accept that statement and would not order the government so to do. However, that does not arise on this occasion.

I take the responsibility for having this motion transferred from the order paper yesterday to the order paper today because I knew it was irresponsible and I knew it had many implications which should be considered. Frankly, I wanted to review it with my officials and I also wanted particularly to discuss it with my colleagues because I felt at the time that that was necessary before one took action one way or the other, knowing as I did that transferring it from the order paper yesterday to the order paper today would not in any way, shape or form delay or prejudice the house or the hon. member or the Liberal party in acquiring this information, since there was going to be a debate today.

As I said, one could argue that the bank particularly should not be put in the position of divulging the information asked for here, information which is treated as confidential between central banks all over the world. If this house should continue to put the bank in a position where it was compelled to produce information at the whim and caprice of any individual in the house requiring it, it would not be long before the integrity of the bank and its whole foundation would be shaken. On the other hand, Mr. Speaker, one can say that technically, although this is only an assumption that it is technical, the information asked for is almost four months old. The reference is to a period including part of April and extending to the latter part of June. Although I would not want my banking transactions of even four months ago revealed to the public sometimes, yet there is a little time lag there which gives some protection, in that information as to current dealings is not being produced.

More important is the fact that the hon. member very frankly put it before the house that there has been discussion and that malicious charges have been made against the Prime Minister of this country. To use the words of the hon. member, which I think I took down correctly, he said there had been charges against the Prime Minister of perpetrating a fraud on the Canadian public. The other day the Prime Minister brought forward facts and figures which I think cleared up that situation effectively but, despite that fact, if one refused to bring down the details asked for now, which supplement and add to the information given by the Prime Minister the other day, the accusation might possibly be made that there must be something about which the Prime Minister or this government is worried or else the information would be produced. There is nothing about which this government or the Prime Minister is worried so far as the facts of the case are concerned. I want the public to know that and I want this to be the end of following trails of innuendo, trails suggesting dishonour on the part of the Prime Minister and imputing motives, all of which are absolutely without foundation whatsoever.

Mr. Chevrier: Mr. Speaker, I rise on a point of order.

An hon. Member: The rug has just been pulled out from under you.

Mr. Chevrier: My point of order is, Mr. Speaker, that when the hon. member for St.

Lawrence-St. George was discussing his motion you warned him that he should be careful not to impute motives to anyone. The minister for the last five minutes has been imputing motives. I ask that he be called to order in the same manner as the hon. member for St. Lawrence-St. George was.

Mr. Speaker: With reference to what the hon. member has said, I thought I should caution the hon. member for St. Lawrence-St. George as a new member of the house with regard to approaching a line of argument or attributing to the minister—

Some hon. Members: Oh, oh.

Mr. Speaker: I trust I have the floor—any ulterior motive behind the decision and action of the minister yesterday in transferring this motion to the proceedings today. I think all will recognize that that would have been quite improper. In addition, I felt I should caution him that to attribute to parliament a motive in its determination of the rule would also be improper, and I must say that the hon. member was very careful and very proper.

Mr. Pearson: Then why caution him?

Mr. Speaker: It may be that sometimes a word of wisdom beforehand is of some advantage. With regard to the words that the hon. member for Laurier has attributed to the Minister of Finance, as attributing a motive to the Leader of the Opposition, I regret that I did not hear the name of the Leader of the Opposition from the Minister of Finance. I took it that this was a general charge that has been made, and if we go back to the debate on the speech from the throne I do not think that the hon. member for Laurier, who participated in that debate, if I recall rightly, can say that both sides did not make such statements, and without protest. Therefore unless there is a specific motive attributed to the Leader of the Opposition I do not think that the remarks call for a retraction.

Mr. Nowlan: Mr. Speaker, I do not recall that I referred particularly to the Leader of the Opposition. *Hansard* will have to speak for itself in that regard. I did say that I understood from the hon. member that he was speaking for the opposition as a party. If I referred to the Leader of the Opposition, naturally I stand on the words I used, but I do not recall doing so. However, the point on which I was basing my statement largely was the statement made by the hon. member himself when he suggested that the party to which he belongs—perhaps I am paraphrasing slightly but I think this was certainly the effect of his words—had accused the Prime Minister of perpetrating a fraud on the Canadian public. I think this is one statement he has made. It is because of that charge and because of the fact, if we refused to accept this motion, it might be misunderstood, and there could be some element of doubt raised with respect to the situation again, that, on behalf of the government, I am accepting the motion of the hon. member.

We could have saved 15 minutes at least, but I did not want to interfere with his speech. I assure the house that I will have this table brought down at the earliest possible date, I hope by the first of next week. When this table is brought down, sir, we will find that the statements of the Prime Minister are entirely substantiated, and I hope this will conclude this discussion. I want to make this clear, too. In doing this, as I said, we are doing it because of the unusual circumstances surrounding the motion, the charges which have been made heretofore. It is not to be construed as a precedent for producing statistics from the bank at any time in the future. So far as I am concerned, this is an end of the matter.

Motion agreed to.

PRODUCTIVITY COUNCIL

REQUEST FOR PRODUCTION OF MINUTES OF MEETINGS

Mr. Frank Howard (Skeena) moved:

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the minutes of all meetings of the national productivity council.

He said: I suggest that the acceptance or rejection of motions of this type hinges upon the question of the desirability of producing a particular document. This puts one, in this instance, at a bit of a disadvantage because when the request was made yesterday to have this motion debated there was no indication from the Minister of Trade and Commerce (Mr. Hees) as to whether or not he intended to accept or reject the motion. The motion calls for the production of the minutes of the various metings of the national productivity council. I cannot, therefore, go into the question of the desirability or otherwise of producing the minutes because I have no knowledge of the attitude of the minister in respect of this motion.

Since the establishment of the national productivity council, Mr. Speaker, there have been many references to the fact that it is ineffective in its attempt to accomplish the goals which were set forth when it was established. These references have been made in this house as well. Just recently one of the appointees to that council, namely Mr. Claude Jodoin, president of the Canadian Labour Congress, resigned. The reason given

by Mr. Jodoin, as I gathered, was that the council as presently constituted was an ineffective body and he saw no reason why the congress, whose representative he was, should continue to participate in a body which was relatively ineffective.

We have our own opinions as to the uselessness of the council. Perhaps a much smaller group would be more effective in attaining the goals which were set for this body. However, we are now getting into the field of the council itself. It was my thought that, having the various minutes of the productivity council produced for the public and parliament, it would be possible to make a far better assessment of the relative merits of the council and whether or not it should be maintained in its present form. I am sure the minister would like to have this matter cleared up in order that parliament, in looking ahead to the various problems confronting our economy, will be able to make an assessment on the basis of the thoughts and ideas described in the minutes themselves. I hope that we can proceed very quickly to the endorsation of the motion.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, my reason for asking that this motion be transferred to the proceedings which take place in this hour today was in order that I could explain to the house why I believe, and the government believes, that it is not in the best interests of parliament or the people of Canada that the detailed minutes of a government sponsored body such as the productivity council should be made public. I am very pleased to learn, as a result of what the hon. member has said, that his main interest is to learn of the activities of the council since its inception. I am very pleased to have this opportunity today to outline what the council has been doing since it came into being.

First of all, Mr. Speaker, I wish to outline to the house my reasons for believing it is not in the best interests of parliament or the people generally to make public the detailed minutes of any government sponsored body such as this. As the minister through which the national productivity council reports to parliament, I have been asked to provide the house with the minutes of the council. As the house knows, Mr. Speaker, the national productivity council consists of 25 persons, five of whom are chosen from the field of industry and commerce, five from the field of organized labour, five from the field of agriculture and other primary industries, five who represent the general public, four who are officers or employees of Her Majesty, and the executive director who is a permanent officer of the council.

The people who serve on the council are outstanding representatives in the fields from which they are drawn. They serve in a purely voluntary manner and receive no remuneration whatever for the useful and time consuming tasks which they undertake as a public service. To emphasize my point, I should like to name the members of the council, and I am sure that hon. members will agree with me that Canada is very fortunate to have people of this calibre who are devoting their time and efforts to the welfare of the country. One of Canada's prominent industrialists, Mr. George De Young, president of Atlas Steels Limited, has devoted outstanding service to the council as its chairman. Other representatives from the field of industry and commerce are Mr. N. R. Crump, president of Canadian Pacific Railway Company, Mr. George C. Metcalf, president of Loblaw Groceterias Limited; Mr. W. Fraser Bruce, president of Aluminum Company of Canada Limited and Mr. J. Claude Hebert, president of Transparent Paper Products Limited. I am sure hon. members will agree that these are five of Canada's leading industrialists and businessmen.

At present the labour representatives on the council are Mr. Marcel Pepin of the confederation of national trade unions, Mr. Arthur R. Gibbons of the brotherhood of locomotive firemen and enginemen, Mr. Michael H. Nicols—

Mr. Howard: On a point of order, Mr. Speaker. What have the structure of the national productivity council and the background of its various members to do with the desirability or otherwise of producing the documents sought?

Mr. Hees: In speaking to that point of order, Mr. Speaker, the answer is simply that I am outlining to the house who are the members of this council because it is their words in their entirety, every single word that each of these men has said while the council has been in session, that the hon. member wishes to have produced verbatim; and I shall explain to the house that if we are going to ask or demand that every word, every syllable uttered by any man or woman who sits on one of these councils, who is summoned or invited to sit there by the government to help it determine policies that will be beneficial for the country in general is made available, then in the opinion of the government we will not be able to persuade people, particularly those of the calibre I am mentioning from the ranks of labour, management, agriculture and so on, to be willing to sit on these councils and give their time and energies, which are impossible to purchase with money, to the service of their country.

It is for that reason I am outlining who these people are, so that we can judge whether the words of these people in their entirety, every syllable that they have uttered and which have been taken down in the minutes of these meetings, should be produced for public scrutiny.

Mr. Benidickson: Only minutes.

Mr. Hees: Now, if I may continue—

Mr. Speaker: Having heard what the minister said, and particularly what the hon. member said in proposing his motion, that the issue here was as to the value of the productivity council, and that that was the issue before the Canadian people, one side taking one position and others taking a contrary position, I find that in reply the minister is indicating the personnel of the national productivity council which to me, in considering this issue, would be a most germane point. So long as the minister was not straying off into long biographies about each individual, then I think that nothing I have heard so far is out of order.

Mr. Hees: Thank you, Mr. Speaker. I might also add that a very strong point in reply to the point made by the hon. member for Skeena is that he believes the productivity council, as it has operated, is not a satisfactory council to handle the work that has been entrusted to it. Therefore in answer to his charge I propose to outline to the house in some detail just what the productivity council has been doing since its inception, so that we can better determine the question that has been brought before the house this afternoon by the hon. member for Skeena.

Mr. Pickersgill: On a point of order, Mr. Speaker, it seems to me that what the hon. gentleman is now seeking to do is in most direct and flagrant contradiction of the judgment given by Mr. Speaker Michener, which was read to the house a few moments ago by my hon. friend from St. Lawrence-St. George (Mr. Turner). What we are supposed to be discussing here, as Mr. Speaker Michener put it so succintly, is whether or not it is opportune to produce certain documents, not whether or not a particular agency of government is doing a good job. Maybe the documents would show that, after they were produced; but that is not the issue before us. It seems to me therefore that the minister is ignoring the rule of your illustrious predecessor in embarking upon the course which he now proposes to take.

Mr. Churchill: Mr. Speaker, before—

Mr. Speaker: If he is addressing himself to the point of order then I will hear the hon. minister.

[Mr. Hees.]

Mr. Churchill: Before you make a decision with regard to the point of order raised by the hon. member for Bonavista-Twillingate, I do not think the house is prepared to accept his idea or his interpretation of the ruling of a previous speaker.

Mr. Chevrier: Why not?

Mr. Churchill: He said Mr. Speaker Michener used the word "opportune". I think we had better have a direct ruling as against that, because I thought the word used by Mr. Speaker Michener was "desirable", which has an entirely different meaning to the word "opportune".

Mr. Pickersgill: I am perfectly happy to substitute the one for the other.

Mr. Churchill: Maybe you will not be, by the time I finish.

Mr. Chevrier: You just want to talk it out until six o'clock.

Mr. Churchill: In order to determine whether it is desirable, or worth while, or advantageous for the house to have minutes produced I think we should know something about the operations of the council to determine how important are its duties. It seems to me that is what the Minister of Trade and Commerce was going to do.

Mr. Speaker: The hon. member for Skeena, if he is on the point of order.

Mr. Howard: Just this point, Mr. Speaker. While it is germane to it, we are not seeking a verbatim transcript of words. We are seeking the minutes; and they are two distinct things.

Mr. Speaker: The hon. member for Bonavista-Twillingate was rather quick, and as a matter of fact his thinking is more or less in line with that of the Chair as a result of the last sentence uttered by the minister prior to the, shall we say, interruption by the hon. member for Bonavista-Twillingate. I do not think it is germane to this debate, or relevant, that we should go into the matter of what the productivity council has done or what it has not done. The point at issue is a narrow one in this particular debate. It is limited to the desirability of the production of the documents. The motion is one calling on the government to produce the documents referred to in the motion, and the question is whether they should or should not be produced. I admit this is a narrow issue. The minister can state his reasons why he is opposing their production, and those who would support the motion can state their reasons why these particular documents

should be produced. If we proceed on that basis we will carry out the true intent of the motion and of this debate.

Mr. Hees: Mr. Speaker, the documents that have been requested are the minutes of the meetings of the productivity council. If the minutes had been made in a general way, simply giving the conclusions and the general discussion that went on at these meetings, there would be no reluctance whatsoever on the part of the government to producing them, because the government is very pleased with and proud of the deliberations and the work carried out by these very distinguished people who have been good enough to agree to sit on this council and do this very important work. But I do object to producing these minutes because they specify which of the members of the council voiced certain definite opinions.

Mr. Pickersgill: Mr. Speaker, would the minister permit me to ask him a factual question, which might speed up this whole matter?

Mr. Hees: Certainly.

Mr. Pickersgill: Could the minister say whether in fact these minutes are a stenographic report of the meetings? We have in the house a stenographic report called *Hansard*, and we also have minutes, the *Votes and Proceedings*. I conceive that what the hon. member for Skeena is asking for is something like our *Votes and Proceedings*. Could the minister say whether or not the minutes are a stenographic report?

Mr. Hees: Mr. Speaker, I think the hon. member for Bonavista-Twillingate has made a useful contribution, because if what is required are the general conclusions and the general discussion which took place at any of these meetings, I will be very glad to have that material produced. What I think is completely unfair, and would be damaging to parliament and to the service people of this calibre perform for parliament and for the country, would be to have the verbatim report of what Mr. So-and-so said, what Mr. So-and-so said in reply, what Mrs. So-and-so said, and so on—

Mr. Chevrier: What about Miss So-and-so?

Mr. Hees: —because people who come here and give their time and very considerable talents free to the government for the benefit of parliament, the government and the people in general would not, we feel, be willing to serve on bodies of this kind if each sentence they uttered at these meetings were produced for the public to examine in detail later.

Mr. Howard: Mr. Speaker, would the minister permit a question? Are there such things as minutes which do not indicate which people are involved? We do not want a full transcript, word for word, commas and punctuation marks, of various individuals. Minutes are a different thing; they are the result of discussion and decision. If there are such things, we will be glad to have them.

Mr. Martin (Essex East): Summaries and conclusions.

Mr. Hees: Unfortunately, the way the minutes of these meetings have been taken has been in the form that Mr. So-and-so said so-and-so, and Mr. So-and-so replied and made this suggestion, and so on. But if the hon. member is willing perhaps to reword his motion and ask that a full account of the meetings be given, without the specific names of who said what at which meeting, we will be very pleased to make that available to him.

Mr. Howard: Mr. Speaker, that is agreeable. The seconder of my motion says it is acceptable to him also.

Mr. Hees: Thank you very much. Then on that basis, Mr. Speaker, could I ask that the hon. member reword his motion? If he does so in those terms, when it appears next on the order paper I will be very glad to make this information available to him.

Mr. Howard: Mr. Speaker, I do not know whether it needs rewording. These motions are accepted many times by ministers on certain understandings and with certain reservations. I am simply saying that a resumé, or whatever it is, will be acceptable.

Mr. Hees: Mr. Speaker, I will accept the motion on those terms.

Mr. Pickersgill: I think we should understand clearly, Mr. Speaker, what the amendment is that we are accepting. I agree very much with what the minister said, because I was a minister once, and I hope to be one again—

Some hon. Members: Oh, oh.

Mr. Chevrier: You will.

Mr. Hees: Hope springs eternal.

Mr. Pickersgill: —and I also had the dubious advantage of once being secretary to the cabinet. I do not think we wish to have a motion passed by this house—and I am sure my hon. friend from Winnipeg South Centre who is also the leader of the house would agree with me—in language that would constitute a precedent for the production of the minutes of bodies which really, in the genuine public interest, I am sure every hon. member in all corners of the house would agree, should not be made public.

Therefore I would hope that if there could be an understanding—and I am only too agreeable to the understanding between the minister and the mover—and if the matter could just be stood and the motion reworded, at the beginning of the next time these matters come up we could have the amendment in precise language and I think everyone in the house would be satisfied. Then we would not be creating any dangerous precedent.

Mr. Howard: Whatever course is desirable, Mr. Speaker. We can withdraw the motion and replace it. It would then come up on Wednesday.

Mr. Pickersgill: That would be the best course.

Mr. Howard: I am agreeable to doing whatever would be the best course. Then, Mr. Speaker, with the permission of the house I should like to discharge the order and withdraw the motion.

Mr. Speaker: Is that agreeable to the house?

Some hon. Members: Agreed.

Mr. Speaker: By consent, the motion is withdrawn.

Order discharged and motion withdrawn.

Mr. Speaker: Order. The time for private members' business having expired, the house will now revert to the business that was interrupted at five o'clock.

FARM CREDIT ACT

PROVISION FOR INCREASE IN LENDING CAPACITY

The house resumed consideration in committee of the following resolution—Mr. Hamilton—Mr. Paul in the chair:

That it is expedient to introduce a measure to amend the Farm Credit Act to increase the capital of the Farm Credit Corporation from $12 million to $16 million so as to increase the lending capacity of the corporation from $300 million to $400 million; and to provide further for certain changes in connection with the administration of the act.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Pascoe: Mr. Chairman, before the committee adjourned for private members' hour I had congratulated the Minister of Agriculture upon bringing in his proposed amendments to the Farm Credit Act so early in the session. I had also expressed the opinion that opposition members would be well advised to vote for the measure when it comes up for final passage, because the operations of the Farm Credit Corporation are being well received all across Canada. I must admit that I cannot exactly tell from their speeches whether the opposition members are supporting the resolution or opposing it. I think they will hesitate to block this latest government move to help Canadian farmers help themselves through adjustments to a changing farm economy. I know that the minister is anxious to have this resolution adopted as soon as possible so that he can proceed with his amendments; but as a western member representing a very important agricultural area I think it is essential again to draw attention to some of the points the minister brought out in presenting this resolution.

Mr. Argue: Just repetition.

Mr. Pascoe: I am sure that his statements will be read and approved both by farmers and by leaders of farm organizations. They will note that in the year before this government was elected to office—and I am repeating here for the benefit of the hon. member for Assiniboia what I think should be repeated—a little over $12 million was loaned under the federal farm loan board. In the last fiscal year nearly $69 million was disbursed in farm loans. For this fiscal year hon. members heard the minister say it is estimated that total farm loans will be more than $80 million. As I said, Mr. Chairman, I should like to repeat these figures for emphasis. About $12 million in farm loans under the Liberal government farm policy in 1956-57; nearly $69 million in the last fiscal year and an estimated $80 million this year.

On looking up old records—this has been brought out previously, I think, by the hon. member for Acadia, but I want to repeat it—I find that in 1956-57 under the old Liberal farm loan board only 33.6 per cent of the loans were used to purchase land or to improve farms. In the last fiscal year 1961-62 nearly 65 per cent of loans made by the Farm Credit Corporation were for this purpose. In other words, farmers are now borrowing from the Farm Credit Corporation to extend or to improve their land holdings so as to make their farms into more efficient economic units. This makes it clear that given adequate and well-considered credit facilities, Canadian farmers can be depended upon to put the loans to good and productive use.

I agree with other speakers who have emphasized that Canadian farmers are good credit risks. Although others have given these figures, I should like to read into the

record one paragraph from the 1962 report of the Farm Credit Corporation:

> It is the corporation's policy to encourage borrowers to reduce their outstanding obligations by making prepayments on their loans. At the end of the fiscal year 92.1 per cent of all mortgage loan accounts were in good standing as compared to 92.5 per cent as of March 31, 1961. A total of $15,196,731 of principal was repaid during the year, of which $11,294,011 was received in payment of principal not yet due.

I think it is important that these repayment figures should be stressed during any debate on farm credit. The figures make it very apparent that farming can be operated on a business basis, just like any other business where proper use of credit has always been the normal method of operation. That is what this government is doing under its long range farm policies, helping to put farmers on a modern business basis.

The hon. member for Assiniboia, who I believe harvested a very big crop himself, makes his usual assertions that things are very bad for the farmers.

Mr. Argue: Getting worse.

Mr. Pascoe: Then he proceeds to contradict himself. Here is what he said as reported at page 598 of *Hansard* for October 16.

> The total investment in the agriculture industry of our country is some $11 billion. The total outstanding credit, bank credit, credit from the Farm Credit Corporation, credit from credit unions, obtained by the agriculture industry is just over $880 million. This means that the farmers have only some 8 per cent of their assets in outstanding indebtedness.

I agree that the position of farmers can be improved, and in the last few years is being improved. And as we all know, there must be further adjustments upwards in the farmers' economic position. As I said earlier, under this government these upward adjustments are continuing. Last session when we were considering an amendment to increase the lending capacity of the Farm Credit Corporation, one C.C.F. member, now an N.D.P. member, said he feared that farmers were trying to borrow their way into prosperity. I can agree with this statement. The main objective of the measure proposed by this resolution is just that—to provide a greater opportunity for farmers to borrow themselves, as the hon. member said, into a more prosperous farm economy. Other speakers have pointed out that adequate farm credit is essential in modern farming. By lending $80 million this fiscal year on a long term repayment program the government, through the Farm Credit Corporation, recognizes this fact. When properly used credit is a vital means of obtaining and utilizing the farmer's productive resources of land, labour, and equipment. A loan to a farmer after careful assessment of all the factors involved in his individual operations should not be regarded solely as a debt. The loan, in fact, can be taken as an indication of good farming if it is in reasonable balance, in size and repayment terms, with the "potential" of both the farm and its operator and if it is used to increase farm production through larger acreage, greater efficiency or improved living conditions. As one farmer expressed it to me, Mr. Chairman, modern power farming requires tractor power and borrowing power. That is why we welcome this new move to help meet the requirements of this farm borrowing power.

I referred earlier, Mr. Chairman, to the latest report of the Farm Credit Corporation. It is a well documented statement and I hope that each member of this house reads its carefully. I wish that all Canadian farmers could read it. In referring to this annual report I wish to pay special tribute to Brigadier Rutherford who has had a great deal to do with the present effective operation of the corporation. Brigadier Rutherford has retired as the active head of the corporation, but we are all pleased to learn that he is continuing in an advisory capacity. If I may, I should just like to put on the record this brief comment in the report with regard to Brigadier Rutherford's services:

> Brigadier Rutherford brought to the service of the corporation the unique qualities that have carried him through a distinguished career in the public service, first as a soldier in two world wars and then as a senior executive with the Department of Veterans Affairs. It was in this latter capacity as Director of the Veterans Land Act from 1947 to 1959 that he introduced the use of advisory services in the administration of farm credit and demonstrated the advantages of such service in promoting the productive use of credit. In two and a half years as chairman of the corporation, he directed the organization of its administrative structure, the recruitment and training of staff, and the establishment of procedures which enabled the new agency to handle an unprecedented volume of loans. His promotion of the use of credit as an active agent in bringing about the adjustments so necessary to the agricultural industry will have an increasingly significant influence upon the entire Canadian economy.

I am very pleased, Mr. Chairman, to read that paragraph into the record as I think we all agree that the services of Brigadier Rutherford were extremely valuable in establishing this Farm Credit Corporation. I am sure we are all pleased that he is continuing in an advisory capacity.

The minister said that the proposed increase in farm credit facilities is designed to fit in with the government's whole long range farm policies. From talks I have had with farmers I know they are beginning to see how the whole agricultural program is now taking shape and is achieving definite results.

The price stabilization act which protects farmers against a sudden drastic decline in farm prices is part of an over-all credit plan because it provides a reasonable assurance of cash income with which to make loan repayments. The net cost of supporting farm produce prices in the past four years totals $148,124,000.

Then there is in existence the program of crop insurance which Ottawa offered to the provincial government as another means of income protection. Crop insurance also fits in with a complete farm credit program. I am glad to see that the Saskatchewan government is following the lead set by the province of Manitoba and is beginning to co-operate with the federal government in this regard.

There is also in existence the ARDA program of rural rehabilitation and development. Saskatchewan members were pleased to witness the signing by the Minister of Agriculture of the ARDA agreement with the Saskatchewan government. I know, Mr. Chairman, that the agricultural prices stabilization act, crop insurance and ARDA are not referred to in this resolution. However, they have an important connection with the success of the federal farm credit program. As the Minister of Agriculture pointed out, amendments in the Farm Credit Act are designed to open the door for closer co-ordination of the Farm Credit Corporation and the ARDA administration. If I may repeat his words, this will mark a new milestone in our attack upon the problem of the low income of an important segment of our farming population.

It appears that there will be greater latitude in the use of the corporation's loans. Such a move will be very welcome because there has been some suggestion that most farm loans so far have gone to the larger farmers. In my constituency there is a big proportion of fairly large farms. However, there are also smaller farmers. I hope the amendments will help them continue their way of family farming.

We shall not know just what amendments to the Farm Credit Act are proposed until the measure comes before us. I would hope that some consideration might be given to off-farm activities when corporation officials are assessing the ability of a young applicant to repay a long term loan. When I speak of "off-farm" activities, Mr. Chairman, I mean extra work carried on by a bona fide young farmer whose main occupation is farming and who seeks to supplement his income during his early years of getting established by work not directly connected with his farming operations. I am sure most hon. members know of such enterprising individuals. I have had them contact me with regard to a possible farm credit loan and they have shown me how their extra earnings would help them to make repayments on a loan. I consider them to be good credit risks.

I am not suggesting, Mr. Chairman, that I favour farmers taking other work and I should not like to see farmers taking steady jobs in the city. However, I think initiative in this regard should be encouraged in young farmers, at least to the extent of making some allowance for it in loan approvals. Again I wish to make it plain that my remarks in this respect apply to young farmers who are starting out in a small way with a definite objective of establishing an economic farm unit. I might have more to say in this regard when we are considering the proposed amendments.

In speaking of helping to protect the farmer's repayment capability, I wish to commend the corporation on behalf of some of my farmer constituents for the life insurance plan now available and also for the crop share agreement for repayment of loans by annual amounts related to crops grown rather than by fixed annual instalments. I think these policies are a great help in the farm credit corporation program. Again, Mr. Chairman, I wish to congratulate the Minister of Agriculture for his quick action in bringing in this resolution and I am very pleased to support it.

Mr. Pennell: Mr. Chairman, this is the first occasion that I have had the privilege of intervening in a debate in this house. Permit me, therefore, to say that it is my proud duty to represent the riding of Brant-Haldimand. This is a riding that has a special interest and deep concern in all matters relating to agriculture.

Turning now to the resolution that has engaged the attention of the house, may I put forward three observations. The first observation is that there has been a steady and drastic decline in the total agricultural labour force in this country over the past 25 years. In 1933 the total agricultural labour force stood at 36.6 per cent of the total labour force in Canada and by 1961 it had declined to 16.5 per cent.

The second observation, and this is perhaps even more significant, has to do with the fact that the total number of farm operators has declined in this country at an alarming rate, approximately 19,000 per year over the last 10 years. On the other side of the ledger, however, is the fact that the ever-enterprising and energetic farmers of this country have turned to machinery, new techniques and new marketing methods to maintain and increase their production. It is only right to say that the output per person today has reached an all-time high. This tremendous output, of

course, has been brought about by very substantial investment and the expansion of credit.

It is fair to say that in the riding I represent ownership of a general farm represents an investment of $50,000 to $60,000. Therefore it is abundantly clear that agriculture must advance on the basis of expanding credit and this leads logically and compellingly to the conclusion that, apart from the inherent qualities and natural fertility of the soil, credit is the greatest single factor in increasing the productivity of the soil in this country.

But what are the returns that the farmers are reaping from this great investment? Notwithstanding the gloss put on the situation by the hon. member for Moose Jaw-Lake Centre and the hon. member for Acadia, I would point out what the brief filed by the Canadian Federation of Agriculture before the royal commission on banking and finance has to say on the subject of farm income. On page 8 there is the following:

> —even ignoring the very good years, relatively, of 1950 and 1951 aggregate net farm income today is running at lower levels than those of 6, 12 or 15 years ago.

As I indicated, is it reasonable to ask a farmer facing an investment of $50,000 to $60,000 and with an average net income in eastern Canada of $2,666 to be able to save sufficient capital, to set aside some earnings for his old age and to maintain his family on a proper standard of living and still have sufficient credit to expand his farm? Time and time again hon. members in all quarters of the house have said that they are interested in the family farm. I would point out, as does the brief filed by the Canadian Federation of Agriculture, that while the family farm is still the most desirable unit in our country, 30 to 40 per cent of the income of family farms is still coming from outside the farm.

This leads me to the very nub of the point made rather eloquently and admirably by my colleague, the hon. member for Assiniboia, and which has escaped the attention of every hon. member on the other side of the house. As I understood him, he put this proposition to the Minister of Agriculture. He said that the act in its present scope is not wide enough. He pointed out that the act is designed to help farmers make their farms into economic units but that it neglects those with a lower standard of living who are most urgently in need of credit. Therefore I would earnestly ask the Minister of Agriculture to re-examine the act in order that those who are on the bottom rung of the ladder will at least be given the credit they need so that they can move up a rung or two toward a better standard of living.

I come now to the very bedrock of the submission I wish to make to the house. What is happening to those who are not getting credit from the Farm Credit Corporation? They are being driven into contractual ways of obtaining the credit. This is leading to what we call vertical integration, as is well known to many members of the house. This is what happens. The farmer who is denied credit by the Farm Credit Corporation has to turn to large corporations or private individuals and he enters into a contract with them whereby they advance him credit by giving him poultry or animals and also supplying him with feed. There may be two or three parties to this contract and one of the creditors may buy from the farmer what he produces at a rate set out in the contract.

I believe that the disadvantages under which the farmer labours under these circumstances are manifest to all hon. members. In the first place, the farmer loses the right to exercise his independent judgment because he is bound hand and foot under the contract—and the independent judgment of our farmers has been one of the greatest assets this country has ever known. The other great drawback is that nowhere in these contracts is the interest rate spelled out that the farmer is being charged for credit. I have examined dozens of these contracts and the interest rates are never mentioned but are conveniently concealed. I have taken occasion to calculate the interest and I find that it runs from 15 to 18 per cent.

That is the situation that those farmers who are being denied credit by the Farm Credit Corporation have to face. Therefore I would earnestly entreat the Minister of Agriculture to give serious consideration to the plea put forward by the member for Assiniboia with regard to those who cannot now qualify under the Farm Credit Act.

May I turn to another aspect of the act which has also been mentioned previously. I understand that at present there are provisions relating to the industrial development bank which permit the advancing of loans by that organization to those engaged in poultry enterprises. I have been approached by a number of my constituents asking that consideration be given to changing the situation so that this credit may be advanced by the Farm Credit Corporation. These people feel, and I think rightly, that those who are administering the Farm Credit Corporation are more sympathetic in their approach because they realize that poultry enterprises are closely allied to other agricultural endeavours.

I have one final comment. I would ask the minister to take up the question of delay in processing applications for loans. I do not

in any way blame the minister or anyone in his department for this delay. In my view the delay may be charged to those in my own profession because I know that applications frequently lie on lawyers' desks without being given proper attention. But I respectfully suggest that the department could bring pressure to bear on those who are delaying the forwarding of applications. I want to thank hon. members for their indulgence toward this, my first speech. May I conclude by once more reaffirming and renewing the appeal so eloquently made by my colleague from Assiniboia and earnestly ask the Minister of Agriculture to review the considerations which the hon. member laid before him.

Mr. Peters: Mr. Chairman, I am quite pleased tonight to have the opportunity to engage in the rural throne speech for Canada. Certainly the minister is to be congratulated on leaving the resolution so wide open that everything from ARDA to the taxation problems affecting farmers has been discussed. I am sure that the farmers will be very happy to know that their problems have been given such prominence by this discussion so early in the session. It seems to me, Mr. Chairman, that in the debate that has taken place so far on this resolution we have tried to outbid each other in giving the farmer credit. We all want to maintain the family farm of perhaps 10 or 15 years ago. We want to do this by giving the farmer all the money he can get as fast as he can get it, whether or not it bankrupts him. I think the farmer, himself, would be well advised to be cautious, even if the members here are not, and guard against becoming extended beyond his ability to repay.

In looking at what the credit situation is in rural Canada, we find we have approximately one million farmers at present out of a population of 18 million. These one million farmers owe well over a billion dollars. If we were to give them another billion dollars tomorrow, this would not necessarily solve all their problems, but would probably multiply the ills that are affecting a great many of them today. I am not one of those who hold any brief for the type of credit administered under the old farm loan board. I think that this system was poorly operated. I have been more than pleased to find the government accepting the pioneer work that was done under the Veterans Land Act, and applying that to Canadians as a whole. I believe Canadians across this nation will, for years to come, be paying a great deal of tribute to Tom Rutherford who pioneered in the Veterans Land Act and later became the first official of the Farm Credit Corporation. There are very few people who will disagree with the things that Mr. Rutherford has tried to do and which, I am sure, the corporation will continue to do.

I believe it would be wise, Mr. Chairman, for many of the members who are new here, and in the agricultural sense I am one of those, to go back into the record of the directions given to the administrative staff of the Farm Credit Corporation when that corporation was set up. If they apply themselves to the booklet setting out the Farm Credit Corporation lending policy, a very interesting document printed in 1961, they will note that the chairman had a number of interesting remarks to make. They are very earthy remarks and seem to me to be sensible suggestions which should be remembered by those who are interested in helping the farmer by extending credit to him.

His first principle was, I think, a very sensible one. He believed that you should lend to the farmer enough money to enable him to solve his problem, because if you did not you would only be creating a situation in which he would buy something without getting a sufficiently large increase in his returns to pay off that particular loan. If you lent him too much money, on the other hand, you would create problems for the entrepreneur that, in many cases, he was incapable of handling. For these reasons, the new credit policy included an advisory staff which would help the farmer in solving his own problems to the satisfaction, not only of the corporation lending the money, but to that of the farmer, who would get the most use out of the credit extended to him.

In his remarks, the chairman points out something that I believe is worth while repeating. He is speaking of the need in these days for increasing the size of the farm unit to make it a more economical operation. He is suggesting that there are techniques that must be used to establish the farm as a business. He points out that the new concept of lending policy is based on the premise that new techniques in agriculture call for the readjustment of the factors in production, in that the amount of capital in the form of lands, buildings, stock and equipment per average gainfully employed farmer must be very materially increased and often readjusted. He goes on to say in what respects this can be done. These directions were given to his staff so that his new officials would be able to do the counselling and so that the farmer would be kept informed of what he was trying to do.

It is very interesting to note that, while it has been true as some of the speakers have mentioned, many of these farmers who have applied for loans have been discouraged in getting those loans. Mr. Rutherford pointed

out they should never go away feeling dissatisfied. If they do, and there are some in my area, this is not necessarily the fault of the directions being given by Mr. Rutherford, but is the result of the inability of those officials to accept the directions which he gave. As long as money is being requested, the people responsible for the lending of that money will have a very close look at the operation. There will, of course, be a difference of opinion as to whether or not the money can reasonably be lent. I think that in most cases this pre-counselling on loans has resulted in a better understanding of the farm operation by the farmer.

I know that in many areas where farmers have been refused loans and the reasons have been pointed out to them most,—not all—but most of them have been very well satisfied that their farm operation would not warrant the type of loan they wanted. In many cases the farmers themselves decided the loan they were requesting was too great, that they were not going into that large a farming operation.

Hon. members can agree or disagree with the decision that was made by the director, but I think it is interesting to note what he had to say on page 6:

> The Farm Credit Corporation is now lending "big" money—

I think this is important.

> —not just for the reason that the applicant happens to have good security for the loan but with a definite object always in mind—that of assisting Canadian agriculture to reorganize itself into economic family farm units, with all the economic and social advantages and the stabilizing influences which this will have on our whole economy. Remember that each well placed loan brings us just one step closer to the objective set for us. We must keep on keeping on until that objective is reached.

Well, I think some of the members may have neglected to look at this, but I am in agreement that the credit being extended to agriculture must be directed to the agriculture industry itself as well as to the individual farmer. We want to get Canadian agriculture in general, as well as the individual farmer and the family unit, on a sound basis. Both of these aims should be worked at and should be accomplished.

The chairman goes on to say:

> Our function is a specialized one. It consists of advancing long term credit from public funds to competent farmers for the purpose of assembling economic family farm units, organized to produce readily marketable products at a profit which will give themselves and their dependents a good standard of living and enable them to pay back the loan to the corporation.

Well, Mr. Chairman, I think in the main this has been done. It is true also that it may be advantageous now to look at where the corporation is going, and to decide whether or not we should set our sights a little higher by trying to do something more with the credit being extended to the farmers of Canada.

The previous speaker mentioned the fact that vertical integration was being attempted by corporations which provide money for purposes similar to those that a loan of a suitable size would bring about, so far as the farmer himself is concerned. I would point out that this was tried by many very large concerns, and in most cases vertical integration is not now the threat it was four or five years ago. In many instances and in many fields it was a complete failure for the people putting up the money and for the people receiving it. It was a failure for the farmer and the creditor, and the only man who seemed to come out well was the feed mill owner who sat in the middle.

Vertical integration is not the answer. It never was and the attempt to introduce it into agriculture, as I say, does not present the same threat as it did previously. However, if it is not a threat then this means that there is still a vacuum in that field which the government must examine.

Because this is not the throne speech we should not mention the fact that taxes and other things are involved in rural economy. The motion is restricted, although debate on it has not been confined, to the extent that we are asked to increase the capitalization of the corporation. We are asked to add another $100 million to the reserves from which farmers may borrow. This is something in which every hon. member who comes from rural Canada is interested.

I have a list of a number of cases involving farmers in my area who are dissatisfied. In many cases this is probably the result, as Mr. Rutherford pointed out, of the human factor, the personality element which may enter into the granting and seeking of loans; but there are several cases which have made me wonder if we are not being a little too tough with regard to small loans for the small non-economic units at the present time.

The direction that was originally given was that consideration would be given by the advisory staff to the size of the farm unit and the results that could be expected from it. This resulted in many units being considered too small to obtain credit in a satisfactory manner. I can cite one example. One farmer I know had a piece of property which, to me, seemed much too small to carry the herd of cattle he owned. His problem was the renting of pasture and land to produce the hay and grain necessary for his dairy herd. He attempted to negotiate a loan with the Farm Credit Corporation but his unit was considered too small to be economic. Later he went to

a bank, paid the bank rate of interest, put up the collateral required by the bank, and in his arrangement with the bank he pledged the salary of his wife who is a school teacher. In that way he got the money he wanted.

This example illustrates the fact that enough consideration is not being given to the establishment of people on farms, people who are willing to use salaries from other jobs, including the salaries of their wives and other members of their families. It is absolutely essential that we give some consideration to new people going into agriculture.

In some provinces a great deal of consideration is given to the young people, the junior farmers, but it is very seldom that consideration is given to the man who is 35 or 40 years old, who has worked a few years in a factory, and who wants to get back to farming because he is dissatisfied with urban living. To that category of applicant special consideration should be given. They will be the backbone of agriculture in years to come, and at present their numbers are increasing very rapidly.

When I was working in the mines most of my fellow workers were people who had come from farms either in the west, in Ontario, Quebec or the maritimes, and at least 50 per cent of them did not want to remain in the mines longer than was absolutely necessary. They were willing to work hard and save their money, provided they could see their way to getting back into farming. It is absolutely necessary that that type of person should be considered because such people, if re-established on farms, will stay on them. They know what the story is off the farm. Too often many young farmers who buy farms from their fathers or get assistance to obtain their own farms, have not had the experience of anything else and, as everyone knows, distant pastures look greener than those at home.

This is true not only in my riding of Timiskaming but it also applies in every part of the country. There is a large segment of our population, both young people and those who have worked elsewhere for a time, who will need special assistance to get started in farming. They need this assistance and they also require the advisory assistance which will provide them with the necessary information regarding the operation and the proper size of their farm units. I believe that many times farmers are unable to tell whether they are losing on sheep or making on pigs, whether they should increase their production of milk or whether they should be going into the raising of beef cattle.

I would strongly urge farmers to consider the suggestion that was made here tonight, that they be given an unlimited amount of credit and that they be given it with no interest charge; because I wonder whether this would not be detrimental to agriculture in general and to many people who got large amounts of money on that basis.

Mr. Hamilton: Mr. Chairman, I think the time is now appropriate for me to rise in this debate and say a few things about some of the arguments that have been advanced. First let me very sincerely congratulate the new members who have participated in the debate, because not only was it the occasion of their maiden speeches but in many cases their speeches were very constructive. If I may, I would like to include the hon. member for Assiniboia in this group of new members in the official opposition because I think it is but fair and just, after the things I have said about him in this house in the past, that when he does make a constructive speech I should mention it. The greater part of his speech was very thoughtful and helpful, and I shall mention various points as I proceed.

If he is surprised at this remark in my opening words, I do ask him to trust me a little bit. I am not going to throw a fishhook—just yet. I will say, though, at the beginning, so that I get all the bad stuff off early, that as long as the hon. member stays with constructive material, as he did in most of his speech, I think there will be a willingness to listen on the government benches. But he cannot blame the government members for laughing as they did at the first part of his speech when he started to talk about farm income, because when the hon. member talks that way, he talks the way the Liberals talked for years. That is why they are on that side of the house. They never did understand this question of farm income. But, Mr. Chairman, I am not rising to speak on that; I am simply saying that if the hon. member continues with these constructive ideas I will be glad to listen to them and discuss them with him, because every constructive idea should be looked at and examined, and if workable I think we should try it.

We have had a fairly high level of discussion on farm credit. There are one or two smaller points I could mention and get off the table, and then I will move into what I think is the key issue that has been developing. First of all, on the question of the appraisal fees, no person more than myself wonders why appraisal fees are set at all; but in discussing this matter with Brigadier Rutherford and other officials of the Farm Credit Corporation they pointed out very good reasons why there has to be some form of appraisal fee. I am not even going to give those reasons tonight because I think most hon. members realize what they are. But I will say that the

appraisal fee is under consideration and, as many hon. members know, a great many of these appraisal fees that are supposed to be charged, are not charged. This is because many of the people who have been having interviews with the farm credit advisers and field men have, after the interview, talked it over and the farm credit officials has told them, "Don't put in a formal application because your application in this form will not be acceptable, if all the rules and past precedents are followed. So until you can make a little improvement here in your plan of operation, do not submit this plan. Do not submit it until it is improved to meet our standards". As a result, do not feel too sorry for people who are supposed to have paid this $50 appraisal fee, because I would say a great many of them do not pay a dollar. We are giving that service as a free service, but some fee has to be established.

The second point I wish to mention, Mr. Chairman, is this. Several hon. members have made this point. I refer to the question of poultry. This comes under the definitions in the regulations of the act. At the present time poultry are not in the definition of the regulations to allow the Farm Credit Corporation to lend money on a specialized poultry operation. Because of this many hon. members over the last two years have come to me and suggested that we include poultry. But the committee will remember that two or three years ago when the big discussion was going on about integrated farming, it was aimed particularly at this integration in the poultry industry.

At the time of the writing of the regulations it was decided to leave poultry out because it lends itself so much to specialization and certainly lends itself to integration. But now we are reconsidering this matter. I should like to mention not only those hon. members who have spoken in the debate, but the new member from Esquimalt-Saanich who came into the house in the last parliament, the hon. member for Wellington South, who has spoken to me several times about this; and, yes, Mr. Chairman, the hon. member for Yukon, who has raised this question as being a particular type of operation for farmers in that part of Canada. Also, I would mention the former member for Halton, and the Minister of Finance from Nova Scotia, who is not here tonight but who has raised this matter with me.

I have discussed this matter with the advisory committee to the Farm Credit Corporation and I think I can inform the committee that we have decided to make a change in the regulations to allow lending on poultry. I am going to be very frank with the committee, however. We realize that the Farm Credit Corporation is designed, not to build up a great big factory but to help farm families become established. In those areas of Canada—and I mention specifically British Columbia and Nova Scotia—it is obvious that in looking for opportunities to give farm families a decent living one of the few ways they have at their disposal is the operation of a medium sized poultry farm of 2,000 or 3,000 hens. We have designed and worked with other designers to provide the designs for a very efficient type of poultry farm where a person with a small acreage who cannot make a living in the ordinary, traditional senses of farming, can do so with a specialized poultry operation of this size.

I for one do not want to call him a large farmer because he has 2,000 or 3,000 hens. It requires at least that number of hens to give a family any kind of a living. As long as the Farm Credit Corporation does not give the money of the taxpayer, which is of course subsidized, to the borrower to start him off on a tremendous operation which will end up with 300,000 hens, then I think we can safely go into this type of loan.

But the Farm Credit Corporation will look at it as a way of giving an opportunity to a farm family to make a living only up to a certain point, because the Farm Credit Act prohibits the use of government money being lent to farmers who do not need credit. They have all the assets, the big farmers, like the hon. member for Assiniboia. He could not get a loan even if he was not a member.

Mr. Argue: I am a small farmer.

Mr. Hamilton: He has enough land to get along by himself.

Mr. Argue: I am a small farmer with too many debts to get a loan; I would not be a good risk.

Mr. Hamilton: Under this act we are only allowed to lend to the small family farmer. That brings me to the point, Mr. Chairman, that I think is the key issue of this debate so far.

First of all I was amused, and second, I was surprised to hear members of the Liberal party follow the lead of the hon. member for Assiniboia and say that more attention should be paid to the smaller farmers. Listening to the hon. member for Assiniboia, I knew what he was getting at and I support what he was getting at; that you cannot have a fixed definition applied by civil servants acting as bureaucrats trying to establish strict rules; there has to be the ability to accept facts as they are, in this particular case, and make adjustments. The hon. member was quite correct here. There should be a more economic farm unit; there should be that type of approach.

There were some new members who, probably in their innocence, told the committee that we have to give more loans to the small farmers. That is exactly what we have been doing. That makes the difference between what we have been doing for the last three years and what was done under the old farm loan board. Mr. Chairman, I do not want to rouse up this committee by referring to all the bitter memories that we have of the thirties and following the war, when the farmers who had done without capital during the war, and used their machinery till they drove it into the ground. They could not make improvements or expand their holdings; and after the war, when everybody else was expanding they were denied credit by the old farm loan board under the previous administration.

This sorry record of refusals, not just refusals temporarily but refusals permanently, can be shown by this chart which is now on the *Hansard* record of the House of Commons. If any hon. member looks at that bar graph he can see how it swung upwards in 1957, till this year we are lending at the rate of $80 million. It is even off the top of the graph.

Mr. Teillet: Big farmers.

Mr. Hamilton: No, sir.

Mr. Teillet: I can prove it.

Mr. Hamilton: Small farmers.

Mr. Argue: Mr. Chairman, I wonder whether the minister would permit a question on this point?

Mr. Hamilton: At the end of my remarks, please. This is very important. I am making a point here.

Mr. Argue: It is on this point that I wanted to ask a question.

Mr. Hamilton: I want to make it absolutely clear that if a farmer comes into the Farm Credit Corporation office, and he is a small farmer, whether he is a 12 acre farmer in British Columbia, a 40 acre farmer in Nova Scotia, a 100 acre farmer in Quebec—

Mr. Matheson: What about Leeds?

Mr. Hamilton: —a 180 acre farmer in Leeds—and I have seen them down there—or a 500 acre farmer out in western Canada, these men, in my book, in most cases can be called small farmers. If he is operating at a level of income which is not sufficient to keep his family up to the ordinary amenities of the average man who works in the city or in a factory, I maintain that this man is a small farmer. Do we in this committee, Mr. Chairman, realize that even during the last five years, when we have seen farm incomes in Canada reach record proportions, in four of those five years the average farmer in Canada today per farm makes only $2,400 a year. I ask you. With most farmers having an investment of $25,000 to $100,000 on their farms, this $2,400 does not even pay interest on the investment, yet it is his total income.

Average figures do not tell the full story; the facts do that. But there are many farmers who receive a lot less than $2,400. This has been my particular fight, if I may say so, to bring to the attention not only of the members of parliament but also to the people of Canada that no minister of agriculture, no government of Canada, can remain complacent and satisfied when there are so many farmers getting less than even that small amount of $2,400.

Mr. Chairman, this is why in western Canada during the campaign, although I was allowed only a few speeches, I went out on every western platform and told the western farmers that we had had it tough for ten years, but that our ship had come in with better cattle prices, better hog prices, better grain prices, which had raised our income percentagewise by a tremendous amount. We are still not as high as Ontario, but we are coming up to and almost catching them. I told them I had been through the farms of the maritimes, of Quebec, and great areas of Ontario, parts of British Columbia, and parts of the prairies too. I told them that I had seen farmers and their families living at standards that I do not want to see any Canadians living at. I asked the western farmers, and western people generally, in those speeches—and the newspaper records are there to read—to support me in spending most of my time for the next two or three years in putting my efforts as minister into getting into these areas of Canada which needed to be lifted up, and raising their incomes with the same updraft which we had in western Canada with these great sales abroad. Every farm audience in western Canada stopped every speech I made to give me their support in that regard. I mention this to the committee now because through the fortunes of battle I was not able last spring to get, as I had intended, to certain areas of Ontario and Quebec to tell them what the federal government had done and what was available for them. Because I was aware last winter when studying these income figures that certain parts of Canada were not benefiting the same as were other parts.

Mr. Chairman, my point is this. One of the ways of raising incomes and getting at these areas is to try to provide credit in a form which can be used. What is the use of trying to provide credit in the Nova Scotia area, for example, if you base it on the value

of land? There are very few farmers down there who can build up enough assets on their land to warrant a loan. Therefore, we have had to try new techniques. The technique there is to lend money on the character of the person concerned—to lend him money on the opportunity which exists, and not on his having any tangible assets at all in many cases.

When people say that we turn down 55 per cent of the applications, believe me, Mr. Chairman, that it is only after every bit of effort has been made to see how we can help the applicant concerned find a plan which will make it possible for him to make more money. That is the key, and that is the difference in method from that of those people who have been talking about lending to small farmers. We think this is a criminal act of injustice to the small farmer, to lend him money if he cannot pay it back; you put him in a worse position than he was before.

That is where we differ 180 degrees right down the line from the Liberal party. All they asked when they had their farm loan board was: "How many bucks have you got in the bank? How many dollars have you got in bonds? What is the value of your property, your house, your wife's house, your mother's house and everything else?" And their record is shown on this chart I have here: they are barely able to get on the chart from the amount of money they lent us in those years when we needed it so badly.

Today we ask only one thing: Will this loan make it possible for this man to make more money for his family? We are not going to lend money to anybody if it is going to put him in a hole where he is always under this debt. It is better to be honest. I want to thank the hon. member for Timiskaming for bringing that point out tonight, because he does read these reports issued by the Farm Credit Corporation about what we are trying to do. We have never turned a man down because he was small, in the sense of smallness of farm or unit. We have turned the man down only if he has not been able to show a plan that will enable him to give some opportunity not only to pay back the debt but also to give his family a living during the paying back of the debt and to make some money from having borrowed some.

An hon. Member: How will he do that if he cannot get credit?

Mr. Hamilton: Mr. Chairman, one thing I learned on the farm was that you could tell how full a barrel was from the sound of it. If there was a lot of noise it was empty. Mr. Chairman, I know my time is about up, but this is the key point. The definition of a small farmer is not governed by the size of his acreage. The definition of a small farmer is his lack of ability to make money to give his family a living on his farm.

For example, last year we lent approximately 2,500 farmers sums of less than $10,000. So far this year we have lent 1,465 farmers less than $10,000. Those who consider that $10,000 is a large amount are not farmers. I listened tonight to the hon. member for Lincoln, and when I heard him talk of raising the amounts under part II and part III from $30,000 to $40,000 I immediately said to myself: That man must have some knowledge of farm problems. I do not know what his occupation is, but the minute he mentioned the figures of $30,000 and $40,000, that is the type of request we get from farmers. No farmer wants to be given $2,000 and told to go and do what he can with it, because it is cruelty. But if $2,000 would help him increase his income, we will give it to him. That is the way it works.

My point is this; I do not know whether or not I have made it successfully. I agree that the purpose of the Farm Credit Corporation is to strive toward building economic farm units in Canada. Not only should an economic farm unit pay to farmers some of the return on their capital, but it should also pay him something for the labour of himself and his family and raise him to a level where he feels that he is doing just as good a job in society as the man in the city. At the present time that equality is not there. But I hope we never define him so rigidly as to say that this is the line or that is the line, because in some areas to some people a net income of $2,000 or $3,000 per year is an economic living. In other areas and with other people it might be $4,000 or $5,000. So I simply say, let us make it a more economic family farm unit which we are trying to achieve, and I do not think that anybody would argue that. But do not ever accuse the farm credit people of turning down loans to small farmers. Accuse them if you will of asking a farmer in his own interests to produce a plan which will show that he can make more money by borrowing money. If people give me cases like that I will be glad to take them up with the chairman of the Farm Credit Corporation and tell him that he is not doing what the directive in the act and the regulations calls for.

In all fairness to the members of the Farm Credit Corporation—and there are not many of them; there are about 200 of them across this country—I must say that they have done a magnificent job. However, that does not mean that as minister I am entirely satisfied with everybody. I have been around to meet

the staff in all the provinces except one and I have driven home as hard as I can exactly what I have been saying here today. I used this type of simple little lecture, that I do not care how miserably dressed a person is when he walks into your office or when you meet on the street; you treat that person as if he were a leading personage in the kingdom because that person is a fellow Canadian and is not going to be given that infamous treatment that was given by the old farm loan officials in the old days. Even though a person speaks in broken English—

Some hon. Members: Oh, oh.

Mr. Hamilton: —he will get the same treatment in the farm credit offices. I mention these things because they rankle us deeply in certain parts of Canada.

I have now made my point that I wanted to make about small loans. There are many other points here that I think I can let slide or can possibly cover if I am obliged to speak again during the debate. However, I wish to conclude by dealing with one point raised by the hon. member for Assiniboia, namely that this legislation should go to the committee. I would not be at all opposed to taking this legislation to a committee but, as I sense the feeling of this committee I think members of every party here have made it clear that this is good legislation, that they are glad to see it going so well, that they are glad to expand the money being made available and they have put forward constructive ideas. I should like to suggest very sincerely that we do not hold up this legislation any longer than we need to, in order to put our ideas before the house. Let us have the first reading of the bill, and the second reading, and let me get on with the job out across the country. If hon. members will do that, I will appreciate it greatly. This is good legislation. We are fulfilling the promises made by the Minister of Agriculture in 1959 that as soon as we had any new ideas we would bring them in. These amendments can be given to you the minute the first reading is over. We will get copies in both French and English and you will find out that not only is the amount expanded—and it will be expanded whenever the farmers need it—but also it is designed, as I said in my opening remarks, to make it more flexible and to broaden it out. This is aimed particularly at the farmers of eastern Canada, to give us a chance to get in and to make loans on types of operations that you cannot make if you consider agriculture purely from the traditional point of view. Hence we have included off-site or off-farm employment as a type of employment. We have included new types of operation on the farm which are not traditionally agriculture.

These are the two main changes. I might point out that already there is an interest in this matter. Earlier in my remarks—I refer to my first remarks—I mentioned that I was not satisfied with most of the loans going into certain areas. I am very pleased to get new figures tonight for Quebec. In 1961-62 all we lent in Quebec was 109 loans for $1.7 million. This year, which is only seven months on its way so far, the figure up to October 15 is 316 loans for $4.8 million.

An hon. Member: Election year.

Mr. Hamilton: The estimated business for the balance of the year is about $12 million in Quebec.

Mr. Asselin: Is that not owing to the rebate of interest by the provincial government?

Mr. Hamilton: I think this makes clear how all our officials, from the minister on down, are pulling our full weight in meeting what we see is the next great big problem, along with the dairy problem, of getting at the income of what you might call the eastern farmers, and when I say eastern farmers I include the farmers of British Columbia as well.

Mr. Argue: Mr. Chairman—

Mr. Caouette: Mr. Chairman—

The Deputy Chairman: I believe the hon. member for Assiniboia wished to ask a question. Following that I will call on the hon. member for Villeneuve.

Mr. Argue: I had a question that I should like to ask the Minister of Agriculture. I thought it might have been more appropriate to get the answer at that particular part of his speech. However, he was good enough to suggest that I might ask the question now. It has to do with the distribution of the various categories of farm loans in numbers for the various years. The minister has put in *Hansard* a graph which shows a very laudable increase in the aggregate amount of loans and a substantial increase in the number of loans. Tonight he has asserted that under his administration he is emphasizing small loans to the low income farmers. I therefore ask him to put on *Hansard* the number of loans in each $1,000 range of size, for each of the years in question so that we can see the picture. The average loan was roughly $11,000. I should like to know in each of those years the number of loans shall we say of $1,000 and under, the number between $1,000 and $2,000, the number between $2,000 and $3,000 and so on, so that we can get a complete picture of the range of loans. The

minister says the emphasis is on small loans. My point is that the emphasis has been, to far too great an extent, on the larger loans. I ask the minister to substantiate his own statement.

Mr. Hamilton: I wonder whether the hon. member would accept a table that I had worked out today and broken down more roughly into headings of $5,000 and under and $10,000 and under.

Mr. Argue: No, Mr. Chairman, I do not mind any tables going on the record. I am not particular myself. If the minister wishes to put tables on the record, it is all right with me. But they will not show it. I submit to the minister that they will not show it at all, when you have ranges of up to $5,000 and from $5,000 to $10,000. I would ask him to ask his officials—and I am sure they have the figures readily available—to give the committee this information which will show the actual distribution of the loans.

Mr. Hamilton: The only thing I wish to point out was that if you want in that breakdown of $5,000 and less, which most of us I think would consider would be the information he was after, and $5,000 to $10,000 as the next grade, then I have it already. If I am obliged to go back and break it down into all these categories he mentioned, the time factor might enter into the picture. I cannot guarantee when it will be ready.

Mr. Argue: I would ask the minister to go back to his officials and ask for a breakdown. This has been a central point. It has been of interest to the members of the Liberal party, to the minister and to hon. members opposite. I think the committee deserves this kind of information. I am sure that his officials will have it readily available in their files.

The Deputy Chairman: I recognize the hon. member for Villeneuve.

Mr. Asselin: May I ask a question of the minister?

Some hon. Members: No.

The Deputy Chairman: The minister's time has expired. If any questions are to be asked of the minister and we are to have an answer to them it is necessary to have the unanimous consent of the committee; otherwise I would call on the hon. member for Villeneuve.

Some hon. Members: No.

The Deputy Chairman: I recognize the hon. member for Villeneuve.

Mr. Asselin: Mr. Chairman, may I ask—

The Deputy Chairman: There is not unanimous consent. I recognize the hon. member for Villeneuve.

(Translation):

Mr. Caouette: Mr. Chairman, in the last few days we have been considering—

(Text):

Mr. Argue: Not on the table—

Mr. Caouette: Pardon me?

(Translation):

Mr. Argue: Excuse me.

Mr. Caouette: In the last few days, we have been considering the advisability of increasing the lending capacity of the corporation from $300 to $400 million so as to provide further assistance to eastern farmers.

We have always noted, under a Liberal as well as a Conservative government, that eastern farmers were treated differently from western farmers.

When the government suggests that we should increase the number of loans in Quebec and in the maritime provinces, we sincerely believe that this is not the proper way to settle the problem. As a matter of fact, Quebec farmers will go deeper into debt and will not necessarily be able to sell their products.

I am of the opinion that the important thing now for Canadian agriculture is to establish in the east a policy similar to the one followed in the western part of the country. For instance, when the purchase of the wheat production of the west is guaranteed, the western farmers feel more at ease than when the eastern farmers are left without any possibility of selling their products.

And even though farmers from Quebec or the maritime provinces get into debt for $200, $300 or $400 millions, if they cannot sell their production in the fall, it is easy to understand that they will not even be able to honour their obligations, even if at the time the loan is granted it enables them to live a little better than now, and some day, in two, five or ten years from now, they will be in the same situation as today.

What we cannot possibly imagine and what we cannot accept, in Canada, is that, after 200 or 300 years of toil on a farm handed down from father to son, from generation to generation, we should have farmers who are in debt to such an extent that they can no longer operate their farms, and this even after getting provincial or federal loans. Such is the result of a financial system not adapted to our potentialities.

Mr. Chairman, more and more we hear it said that our farms are being abandoned.

The farmer's son is no longer interested in taking over his father's farm. Why? Because at the present time, in Quebec, in the maritime provinces and in some other provinces, a farmer's real income stands barely at four cents an hour, considering the number of hours he devotes to the operation of his farm. And were we to get him deeper into debt tomorrow, I do not believe that would solve his problem. But one solution the government could bring to the Canadian farmers' problem would be to guarantee those of eastern Quebec, Ontario and the maritime provinces that their products would be sold.

Mr. Chairman, it is my opinion that if the government offered that guarantee, we would not have to worry about the rest. Then we would have an opportunity to see that farmers in Quebec and in Canada can look after their own business. That policy would bring about the development of farms and would help to increase production. Instead of paying farmers to keep from growing wheat, let us pay for the production achieved in this country, let us build cold storage facilities in eastern Canada to keep food commodities and if we cannot consume our national production, let us go to the international market; that way, we will be helping Canadian farmers.

We are in favour of assisting farmers but at the same time, we fear the consequences of such a policy because of our present monetary system.

It is obvious that the farmer will be in financial difficulties within a few years, just as he is now. We have proof of it in Quebec and in the other provinces where farm credit has been established, because farmers wrack their brains every six months, never knowing if they will manage to meet their obligations or make the instalment on their farm loan. Why? Because they cannot sell their products.

Mr. Chairman, we must see to the establishment of farmers' sons and enable them to have the same standard of living as the other classes of society, because I am of the opinion that Canadian farmers are the most ignored people at the present time, the least recognized and even the most badly treated.

I suggest very humbly to the minister to study the possibility of submitting a measure that would guarantee to the farmer, for instance, the sale of his butter, as is done already in some areas for the sale of eggs, or apples, or even fish in the maritime provinces. Let us guarantee the sale of these products and I am sure that we shall then be on the road to prosperity, not only for Canadian farmers but for all the social classes of our country.

[Mr. Caouette.]

Mr. Pigeon: Mr. Chairman, may I ask the hon. member for Villeneuve (Mr. Caouette) a question? Would he tell the house if it would not be better to settle present agricultural problems through the media of agricultural co-operatives and organizations, such as the C.F.U.? In other words, would it not be better if the government intervened only indirectly without substituting itself to private enterprise and co-operatives?

Mr. Caouette: I shall be pleased to answer the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon).

You are quite right. We can work through the existing agricultural co-operatives and organizations. There is no question of doing away with them. The government should act through such intermediaries to market our agricultural production but it should do so by getting something better than starvation prices for our farmers. Far from having to sell at a loss, our farmers should make a profit.

I am quite in favour of working through the C.F.U. or similar agricultural co-operatives and organizations. In fact, those farm organizations share my opinion 100 per cent. All they are looking for is the marketing of our farm production at advantageous prices.

(Text):

Mr. Rapp: Mr. Chairman, in rising to speak on the amendment introduced by the Minister of Agriculture to increase the lending capacity of the Farm Credit Corporation from $300 million to $400 million, I should like to say at the outset that I am much in favour of what is spelled out in the resolution. Looking at the history of the farm loan board as it operated up to November, 1959, I must say that it served agriculture very well but since the Farm Credit Corporation came into being under the amendment at that time it has served Canadian farmers much better.

Much has been said during this debate by hon. members, some of whom have contradicted statements by the Minister of Agriculture and have said that the corporation has not served the economy as well as it should have. Therefore I should like to let another person speak, namely, Mr. David Suderman, Ottawa editor of the *Family Herald,* who had this to say in an article in the March 8 issue:

> If the Conservative government decides to stand solely on its record in this year's federal election, one big vote drawing card in rural ridings will be the achievements of the Farm Credit Corporation. Other farm legislation, such as the Agricultural

Rehabilitation and Development Act, may eventually have greater impact on our rural economy, but the Farm Credit Corporation has already proven itself.

I want hon. members to pay attention to this next paragraph:

In its first 27 months it issued more than $130 million in farm loans—about $9 million more than its predecessor the Canadian farm loan board, had issued in 27 years. The 6,000 plus loans issued during the current fiscal year averaged more than $11,000 per farmer. The final impact such lending will have is still difficult to measure, but it is certain to provide the stimulus for a major overhaul long overdue on many farms.

As I said before, looking at the history of the old farm loan board as it was in operation up to October 1959, and the present Farm Credit Corporation since that time, I must say they both serve Canadian agriculture well. The old farm loan board served the Canadian farmer well, but it never could quite measure up to the other legislation we have in this country, namely, the Veterans Land Act. The Veterans Land Act had some very fine features which proved to be so valuable they were incorporated in this new type of farm credit.

There were other new features incorporated in the farm credit bill, one of which was the new type of supervised farm mortgage credit. Many of the failures on small farms and other farms resulted from the fact that some of the farmers were not very efficient and did not have supervised farm credit available to them. This supervised credit was helpful to our young farmers between the ages of 21 to 45.

Another point I should like to bring to the attention of the Minister of Agriculture relates to the clause which provides group life insurance to the farmer who borrows from the Farm Credit Corporation. This group life insurance is very helpful and many farmers have taken advantage of it. There was one omission made in the new farm credit bill, and that is that the farmers who obtained loans from the old farm loan board were not given an opportunity to take out this group insurance on their loans. In my home, in western Canada, many farmers would like the privilege of taking this group insurance, and I would ask the minister to incorporate such a provision in the amendments.

Agriculture today finds itself in a much better position as a result of having the Farm Credit Act amended. I am sure that with the increase in the amount from $300 million to $400 million a great deal of help will be given to the farmers in both western and eastern Canada. There is a new trend today in agriculture and that is to go more heavily into the livestock industry, which has a good future. This increase from $300 million to $400 million in the lending capacity of the corporation will be very useful to those farmers who would like to diversify and go into the livestock industry.

This supervised farm credit is not a new idea. As I said, many of our failures in the past must be attributed to the fact that some farmers were not able to avail themselves of this supervisory service that is provided now to the farmers between the ages of 21 and 45. A planned program could be followed with the operator which would result in repayment of the debt and tend to keep production directed toward future market requirements. If there are any debts that the farmer cannot pay, then the supervisor will advise him not to go further into debt. Of course, this farm credit should never be given to farmers that are not on an economic unit. Credit should never be extended to support an uneconomic unit. From what I gather, previous speakers have said that the amendments would be improved and, as I said at the outset I am greatly in favour of the amendment which seeks to increase the capital from $300 million to $400 million.

(Translation):

Mr. Rochon: Mr. Chairman, like all the members who spoke before me, I should like to congratulate you on your appointment as deputy chairman of committees. Judging from your performance so far, it is obvious that you will always be impartial in the debates to come.

The resolution which is before the committee at present and whose object is to amend the Farm Loan Act, is of the utmost importance. As the Minister of Agriculture (Mr. Hamilton) stated a while ago, it is proposed to increase the corporation's capitalization from $12 to $16 million so that its lending power may be raised from $300 to $400 million. That is a worth while step and I should like to congratulate the Minister of Agriculture for it if only I could be assured that this bill will also benefit the eastern farmer.

It is true that the hon. member for Nicolet-Yamaska (Mr. Vincent) reminded us this afternoon that the minister promised some time ago, in Joliette, that his solicitude would extend to the farmers of both eastern and western Canada.

We heard him tell us that he hoped the legislation under study would bring us better times. But if the past is any indication of the future, I fear that I might throw cold water on his sanguine hopes if I reminded him, as Aeneas did, when he stood before the Trojan horse:

The Greeks I fear in spite of their presents.

Mr. Chairman, like the member for Norfolk (Mr. Roxburgh) I would like the act to apply to our farmers who are engaged in specialized farming.

I have the honour of representing, in this house, a huge constituency of over 110,000 persons. Allow me to greet them, as I bring you their message of understanding and good will. Four thousand of them live on Jesus island which is aptly referred to as the "garden of Quebec". Over 40 young men have started working on specialized farms this year, following the 150 who had done the same, before them, in the last five years.

I envy the hon. member for Nicolet-Yamaska who managed to secure so much—either him or his predecessor—from this federal agency. Many of my constituents submitted requests which have gone unanswered.

An hon. Member: To the provincial government or federal government?

Another hon. Member: To both.

Mr. Rochon: To both. Those applications had been made mostly to the federal government, but they were turned down by the Department of Agriculture.

An hon. Member: You mean the provincial government.

Mr. Rochon: Mr. Chairman, this afternoon you heard the hon. member for Champlain (Mr. Matte). He described the treatment given farmers in his constituency, and what goes on in his constituency is common to all eastern farmers; small farmers who have worked hard to achieve certain results are too often placed in a position where they can no longer face competition, where they cannot meet their obligations and where they have to abandon the fruit of several years of work.

Speaking here on behalf of the farmers, gardeners and market gardeners of my district, I associate myself with the Catholic Farmers' Union which claims that the agricultural class has come this year to a turning point of its history in the province of Quebec. They realize that in order to obtain results, they must join into a professional association of farmers, into a powerful association, counting, of course, on federal and provincial help. I therefore wonder if the bill that will be submitted to us will allow the small farmers to take advantage of it.

At present in order to grant them a loan, the Farm Credit Corporation asks for collateral. Now how can collateral be given by the gardeners of my county, by the market gardeners of Jesus island, when they have to spend thousands of dollars to prepare the soil, lay out their hot houses and prepare their hotbeds. If even they were sure of selling their produce and did not fear American competition as happened this year. The same situation exists for the dairy farmers, feed producers, in a word, for all our eastern farmers. We are taking care of the western farmers very well, but those in the east also have rights, I believe, which have been overlooked for the last five years.

And yet, Mr. Chairman, the economists of the federal Department of Agriculture are the ones who wrote in a report published in September 1961 that: If emergency steps are not taken immediately in addition to certain subsidies granted either by Quebec or Ottawa, many small eastern farmers, particularly in Ontario and Quebec, will face bankruptcy.

It is time, it is high time that such things are said. Please remember, Mr. Chairman, I am inspired in making such remarks only by my desire to serve my riding, my province and my country.

I do not indulge in petty politics. I wish that we could say like those new Canadians who arrive from Europe and elsewhere: "Now we will see a country where it is good to live and where governments are aware of their civic duty".

It is the first time I have the opportunity of taking the floor in this house and I am proud to do so on behalf of the agricultural classes. They are a minority in my large constituency, but a minority which is an honour to us, a minority which brings the name of our farmers to the far end of Europe, since at the Canadian pavilion of the world's fair held in Belgium a few years ago, where there were demonstrations of vegetable and fruit growing, two gardeners of my constituency were present. In fact, the following year, their early products, be it tomatoes, cucumbers or lettuce, were considered as class A products at American fairs.

If those people can so bear the name of Quebec, the name of our country abroad, let us help them. Let us make credit easier to get than is the case at present.

May I, Mr. Chairman and hon. members, thank you for your kind attention.

It is the first time I have had the honour of taking the floor here, and I shall never forget it.

I am convinced that together, without resorting to political partisanship, we shall fight for the benefit of our constituencies, our province and our country.

(Text):

Mr. Whelan: It is a great pleasure for me to take part in this debate on the Farm Credit Corporation. As a member of a farm organization which made representations on the type of farm credit body we should have in Canada, I can say that the Farm Credit Corporation is part of what we sought. It is not all we asked for, by far, but it is a part.

The area I come from, southwestern Ontario, has the most diversified farming in the country and we feel the Farm Credit Corporation does not entirely suit the needs of our area. We feel that a system whereby farmers in western Canada can share their crops in order to pay off a mortgage should be introduced in eastern Canada, especially in southwestern Ontario. We have a large greenhouse industry in that area and it should be treated the same as wheat farming in western Canada. We can all have crop failures. I ask the committee tonight, with this loan association the way it is organized now, and pointing to the large loans that are being made, are we creating a modern form of feudalism or not? We see so many of our farms becoming larger and larger. This is the thing that caused most of our forefathers to come to Canada. They wanted to get away from conditions of that kind. With this type of farming, instead of the large castle on the one hand and the mud hut on the other, we have the large ranch-type house and the small cottage on the side of the workers. This is something that we do not condone.

Our area is a wonderful agricultural producing area. However, I would say, with regard to most of our agricultural products, that we would not be producing as much as we are if we were not using so much slave labour. I say this rather broadly, but it is true. In our area, which is made up predominantly of families that originally came from Europe, who are growing vegetables, and so on, every member of the family works but they do not all get paid. This is a factor we should consider when we point to farm income and how great it is. If we did the same thing in our cities and made every child from the age of seven or eight years do some chore for the city and contribute to the welfare of the city, what a burden unemployment would be in the city. But this is what is happening today as far as agricultural production is concerned.

We in the rural areas sincerely believe that we are not treated in the same way as our urban cousins. Some hon. members may wonder why I make this statement, but it is true. Under this loan legislation you cannot borrow more than $7,500 with which to build a house, and you may have many more assets than your urban cousin needs to buy a home in the city. We feel this is unjust, because all hon. members know what kind of a house can be built today for $7,500. It is not comparable at all to the type of house in which our city cousins live.

The need for increased loans is something I should like to speak about, Mr. Chairman. We in our area, as I said earlier, have a large greenhouse industry. This industry, again, is run mainly by families in the area. But this is an industry that requires a great deal of capital; there is a great deal of investment in it. I would say this is the type of industry we should be promoting in Canada, because this is, again, a deficient industry; we are not producing anywhere near the amount of vegetables that we need in this country. They are being imported and we are spending Canadian dollars in the United States for the same products. There is a continuing demand from people in the greenhouse industry who need more money in order that they may make their units, as we call them, economical. The way this loan legislation is set up now, it does not provide for that.

I would also at this time, Mr. Chairman, like to say that in our area we too can have disasters as they can in the west. We would like to be treated in the same way as they are in the west when they have a disaster and receive assistance in, say, payments on par. I would suggest that some provision should be made in the act to cover this type of thing. If the loan is for one year and the payments cannot be met because of a disaster, a flood or storm that wipes out the crops, into which a tremendous amount of labour has been put by the families, the people affected should be allowed to repay their loans at a very low rate of interest or at no interest at all. This type of benefit should be provided by the corporation. The cost of crop insurance in our country is very high for the type of crops produced. Our province has not entered into any crop insurance program at this time.

I should also like to say that I think the Minister of Agriculture is probably right in asking for another $100 million, if farming in Canada continues on the way it has, especially in southwestern Ontario, where we now have to compete with the United States producers on everything we grow. Nearly everything we grow in that area is deficient in Canada, and we could produce enough for the needs of Canada if we were given the proper co-operation by the government.

I say again that the minister is asking for $100 million, and the rate agriculture is going, he will be back in another year, or maybe before another year, asking for another $100 million or $200 million. Is this good for agriculture? Many thousands of loans have been made to farmers to date. How many million dollars have these farmers borrowed from the country? Is this good for our farmers? Are these the rich farmers that our urban cousins have been made to believe are borrowing these millions of dollars to run their farms? No, they are not. If we are going to continue in this way, the minister will be back again asking for more money for as long as he is minister. I do not know how long that will be, but it will be for as long as he is minister.

We have less farmers now. We have become more efficient. I do not think there is any more efficient producer in Canada than the farmer. I do not think there is any more efficient producer anywhere in the world than the Canadian farmer. He has proved this by his ability to produce more and more with less and less help. We have proved to the agricultural specialists and everyone else concerned that we have the ability to produce. I know what farming is. I was born and raised on what was called in this house tonight a small farm, a 50 acre farm. My operation now is a 200 acre farm and we handle thousands of dollars a year. But at the end of the year, this so-called net income that we hear so much about is not nearly what it should be for the investment that we have on this farm. We should be growing these products in southwestern Ontario and really making agriculture what it should be in this country, but we are spending the dollars abroad. Agriculture is not what it should be because of the policy this government is carrying out in our part of Ontario and in Canada as a whole.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I inquire what the business will be tomorrow and next week as well?

Mr. Churchill: Tomorrow, Mr. Speaker, we would like to go ahead with interim supply. Should it be finished early in the day, we would continue with the business we were on today. Alternatively, if interim supply is not concluded tomorrow we would have to carry on with it on Monday, because time is running out for the payment of cheques.

But if interim supply is concluded on Friday, we would then consider moving into ways and means on Monday and the Minister of Finance and other members of the house would deal with economic affairs. Then the Minister of Finance would bring along the budget resolutions which are listed in *Votes and Proceedings* of September 27.

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

HOUSE OF COMMONS

Friday, October 19, 1962

The house met at 11 a.m.

HOUSE OF COMMONS

PETITION OF RAYMOND RODGERS FOR ADMISSION TO PRESS GALLERY ASSOCIATION

Mr. Speaker: I have the honour to inform the house that the Clerk of the house has laid upon the table the seventh report of the clerk of petitions.

Seventh report of clerk of petitions read by the Clerk Assistant.

Mr. James C. McNulty (Lincoln): Mr. Speaker, in accordance with section 8 of standing order 70 I request that the petition be read.

Mr. Speaker: The hon. member for Lincoln seeks to have the petition read. Is the house in full agreement?

Some hon. Members: Agreed.

Mr. Speaker: Proceed.

The petition was read by the Clerk Assistant as follows:

To the honourable the House of Commons in parliament assembled: The petition of the undersigned, Raymond Spencer Rodgers, publisher and commentator, humbly sheweth:

That he is employed as the parliamentary correspondent of the daily newspaper the St. Catharines *Standard;*

That an application from your petitioner for admission to the press gallery association of this parliament has been refused by the said association;

That by such refusal your petitioner is thereby denied the facilities, the rights and privileges of a working newspaperman which are necessary for him to report upon the proceedings of this parliament;

Therefore, your petitioner humbly prays that this honourable house will take such steps as they may deem to be necessary and fitting to enable your petitioner to carry on his profession of a newspaper correspondent and thereby provide a livelihood for himself and family.

And your petitioner, as in duty bound, will ever pray.

Raymond Spencer Rodgers.

Mr. McNulty: I move, seconded by the hon. member for York-Scarborough:

That the petition of Raymond Spencer Rodgers, parliamentary correspondent for the St. Catharines *Standard*, concerning his application for admission to associate membership in the parliamentary press gallery of this parliament be referred to the standing committee on privileges and elections for consideration thereof and such report as may be deemed appropriate in the opinion of the committee.

Motion agreed to.

PRIVILEGE

MR. FISHER—RIGHT OF MEMBERS TO OBTAIN REPORTS

Mr. D. M. Fisher (Port Arthur): I should like to raise a question of privilege arising out of an answer given yesterday by the Minister of Northern Affairs and National Resources to my question. The question of privilege relates to what I think is the entitlement of any member of this house to any report prepared by the government or for the government that is in the public domain, or is in the public domain anywhere in Canada. To support my contention in this regard, Mr. Speaker, I should like to read just a few sentences from a newspaper published in Banff and dated Wednesday, October 10, wherein it says:

Banff avenue auditorium will be the scene of the meeting with the author of the report, Dr. H. P. Oberlander, reading his findings and making such explanations as are necessary.

Yesterday the minister indicated that indeed such a meeting had taken place on Tuesday evening and that this was a report prepared by a firm of community consultants. I suggest, Mr. Speaker, that we have a proper question of privilege regarding the rights of members in this house if, as seems apparent from the minister's statement, the author of a report prepared for the minister reads his findings in public in one place in Canada, yet the minister indicates that the report cannot be given to members of parliament until, as he says, it is studied by the department, and any decision as to making it available to the members of the house will have to be made following that departmental study.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, in reference to the question of privilege by the hon. member, I do not think he quite finished reading the reply I made in response to his question yesterday. I think the last statement I made was to the effect that I could not table the report at the moment. I used that phrase "at the moment" advisedly because the report had not come into my hands up to that point.

This report has been prepared by a private consultant in community planning, and it was presented to the Banff community advisory council because they were most concerned with it. I have now received two copies of the report. For obvious reasons there are not sufficient copies to distribute to

all hon. members, but with the unanimous consent of the house I would be very happy to table these two copies herewith for the information of hon. members who may wish to refer to them.

I should also add that the report was commenced some two years ago as part of a planning program for our national parks to provide for the steadily increasing number of visitors, while still maintaining the essential functions of the parks as conservation areas.

Mr. Speaker: I presume, in that the point raised by the hon. member is now satisfied by the tabling of this report—

Mr. Fisher: Mr. Speaker, in so far as the actual incident is concerned I am very appreciative of the minister's offer, but the minister has given no indication in regard to the principle. It seems to me there is a principle—

An hon. Member: What principle?

Mr. Speaker: Order. It would be of considerable assistance if anyone who wishes to make a comment on what the hon. member is saying would make it while standing when he has the floor. The Chair cannot hear these interjections, and I would ask the indulgence of the house in this regard.

Mr. Fisher: I do not wish to make any great capital out of this situation but I would point out to you, sir, that the privileges of hon. members seem to be involved when a report is prepared on the order of a minister and it is revealed in public before even the minister sees it. I would like to ask, Mr. Speaker, since the minister has given an explanation in regard to this, whether he has any statement to make on the principle relating to the presentation of the document in public before he or hon. members of this house have had any chance to see it.

Mr. Fulton: There is no privilege there.

Mr. Speaker: There are two questions involved here. First of all, this is not a report that is required by any standing order or statute; therefore before the minister can actually table such a report he requires the unanimous consent of the house.

Regarding the right of hon. members to insist on having such a report, there is the interposition of the unanimous consent of the house to have the report tabled and, as has been indicated to me, there is the further point that the document could have been ordered by a resolution of the house for the tabling of papers. Those are the only means whereby this particular report can come before the house, either by unanimous consent of the house or as a result of a resolution of the house.

Therefore I cannot see how the hon. member can insist that there is a question of privilege of the rights of hon. members, because hon. members have not got that right. The minister must ask for unanimous consent. There is a distinction here, and I shall now ask whether the house will give the minister unanimous consent for the tabling of this report.

Some hon. Members: Agreed.

Mr. Speaker: In so far as the question of privilege is concerned, I believe we shall leave it at that.

Mr. Fisher: Mr. Speaker, could I just ask you to consider this point and give us an opinion later on; that if a report prepared by the government, or for the government at the government's request, is available to the general public before it is available to hon. members of the house, then the privileges of the house may be reduced. I would like this particular point to be considered because, with respect to the two points you brought up, I think they relate to procedure rather than to the general question of the privileges of hon. members to see a government document.

Mr. Speaker: That may be so, on the question the hon. member has raised. I will not comment upon his general observations as to propriety. At the moment I can think of many serious difficulties which might arise and where it might be quite improper. On the other hand, the hon. member would not be entitled to have this report if hon. members in any part of this house had said, "No, we will not have this tabled". Then there would have to be a motion for the production of papers. I cannot see that any hon. member can have a right which is subject to the consent of the house.

[*Later:*]

Mr. Speaker: I wish to call the attention of hon. members to a ruling I made this morning, and to make a minor correction. A question of privilege having been submitted by the hon. member for Port Arthur, I indicated that before the minister, in this case, the Minister of Northern Affairs and National Resources, could table a report he was presenting to the house he would require the unanimous consent of the house.

That went too far. All that is required is the consent of the house. I would not wish the record to appear as though the unanimous consent of the house were needed.

TRADE

U.S. TRADE EXPANSION ACT—REPLY TO MESSAGE FROM PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the house will recall that on Tuesday I referred to a message which I had sent to the President of the United States in connection with the United States trade expansion act and the suggestion made by me in furtherance of what I had already stated at the prime ministers conference in London. On that occasion, on September 17, I said to the prime ministers conference, among other things:

> President Kennedy has placed before congress a program for expanding world trade. I believe, representing as we do members of the commonwealth and a large proportion of the world's population, we should endeavour, in a spirit of co-operation, to give world leadership in a concerted effort to meet the difficult and diverse trade problems of commonwealth countries.

I then proposed that an invitation should be extended to all member nations of the commonwealth, the E.E.C., E.F.T.A., the United States of America, Japan and other like minded nations—and I emphasized those latter words—indicating a desire to participate in a meeting at the earliest practicable date to give consideration to how to deal with trading problems before us in a way which would be of mutual advantage to all. I then stated that this would prepare the way for prospective, non-discriminatory tariff negotiations on a most favoured nation basis. I pointed out that in so far as the European community is concerned, it was already a reality; there was no question about the desirability of that community, as it now exists, carrying forward its objectives. I further stated that it seemed to me that if we were to achieve still wider and more satisfactory trading arrangements before 1970, which was the date at which the preferences would have ended, steps in the direction of further world wide trading arrangements should be now taken.

I stated that this would offer a practical contribution to the solution of our difficulties, advance the strength of the commonwealth association, permit the common market to proceed with the expansion of its own activities and bring to bear the immense trading capacity of the United States of America and Japan. Furthermore, that reciprocal reduction of tariffs should be the only matter for consideration at such a meeting; that the discussions at the prime ministers' conference have shown the urgent need to find solutions to the special difficulties in world trade in agricultural products.

Statement on U.S. Trade Expansion Act

I further pointed out that work in the tariff field would need to be co-ordinated with what might be done through other means, for example through world wide commodity agreements both in the field of temperate foodstuffs and where particular problems arise with respect to basic commodities. I further stated there were other matters requiring attention such as trade in tropical products and trade with the developing countries generally.

On Tuesday, as I said a moment ago, I placed before the house the message which carried into effect the suggestions made by me to the prime ministers' conference. At the conclusion of that conference, among other things, the prime ministers expressed—and I quote now—

> —the readiness of their governments to join in comprehensive international efforts by all available means to expand world trade in both primary products and manufactures.

In that message which I sent to the President I stated, among other things, that it is vitally important that we find effective means as soon as possible for dealing with these complex and urgent trade problems. I further stated in that letter that it appeared the most convenient way of arranging such a meeting would be to discuss these broad questions at a meeting of ministers.

I know that when I expressed myself in this way before the prime ministers' conference there were some who said all I was doing was expressing a similar view to that advanced by Mr. Khrushchev. I point out that Khrushchev was not referring to like minded nations such as those to which I had referred. There were others who said my proposal would only be duplicating the initiative being taken in the United Nations. However, those views have now had their answer, I think, in the reply I have received from President Kennedy, and I think it would be appropriate if I were to read that reply:

> October 18, 1962
>
> Dear Mr. Prime Minister:
>
> Thank you for your letter on the occasion of my signature of the trade expansion act. I am pleased to know that the Canadian government welcomes this most significant development in the trade policy of the United States.
>
> Ever since world war II, Canada and the United States have been partners in a determined search for a non-discriminatory trading world which affords to all countries of the free world the best opportunities for economic growth and expansion. Your letter makes clear that we continue to share these common objectives, and I am gratified to have your pledge of close co-operation in moving toward a wider acceptance of our convictions.
>
> I would like to take full advantage of the authority which the trade expansion act confers upon me and I am eager to explore with other like minded nations as soon as possible the problems and prospects for a new approach to the reduction of obstacles to

Statement on U.S. Trade Expansion Act

world trade. In this connection the recent discussions in Ottawa between officials of our two governments have been most useful. I have been thinking that, after some of the preliminary work has been done and a consensus reached among the principal participants, a ministerial meeting early in 1963 of the contracting parties of the general agreement on tariffs and trade might well be the most suitable way to enlist the participation and support of like minded nations.

On the basis of your proposal for an international meeting, perhaps we might join forces in recommending a special meeting of the contracting parties at the ministerial level, to be held possibly as early as February or March of 1963. I should be interested in your reactions to this suggestion.

I am encouraged by the improvement in Canada's reserve position and welcome the first step you have just taken in the process of removing the special surcharges on imports in response to this improvement. I look forward to your being able to remove the remaining surcharges. This would help us all move forward in our attack on trade barriers.

Sincerely,

John F. Kennedy.

So President Kennedy has accepted the proposal I made for a ministerial meeting of like minded nations—and again I emphasize his use of those words twice in his letter to me, thereby excluding other similar suggestions which have been made. He has proposed that Canada and the United States, on the basis of my suggestion, should join in recommending a special meeting of the contracting parties. I am very glad the President has done so, and I look forward to the closest co-operation with the United States and other trading countries in bringing together other like minded nations in a common effort to deal with the trade problems facing us all in a constructive and positive manner. Instructions are being given to the Canadian delegation to next week's meeting of the general agreement on tariffs and trade to take action along these lines. I am sure that a ministerial meeting of like minded trading nations such as I have proposed will have the most far reaching and beneficial results throughout the free world. I expressed the hope that hon. members and the people of Canada as a whole will agree that this is a most important and hopeful development which opens great possibilities for our trade and for the Canadian economy as a whole.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I think all members of the house will have listened with great interest to the Prime Minister giving the house the details about the correspondence exchanged between himself and the President of the United States and which was, of course, initiated by himself. There can be no doubt that all members of this house will be only too anxious to do what they can to support the government in its efforts to join with other governments in the removal of obstacles to trade and in developing the freest possible trade between all countries. No doubt my hon. friends opposite would include in that communist China and Cuba.

There can also be no question about the desirability of having this government and indeed this parliament co-operate to the fullest possible extent with the constructive program initiated in Washington by President Kennedy and approved by congress. Indeed, we on this side have been advocating that kind of co-operation and association for many months when in other quarters this program did not seem to arouse very much interest.

The Prime Minister has now explained to the house what he meant in his original letter by a meeting of ministers. Presumably this is a meeting now of ministers of like minded nations. Presumably the later conference which is to be arranged, if it can be arranged as a result of this preliminary meeting in Geneva, will be a conference of all like minded nations. Presumably therefore, Mr. Speaker, any country that wishes to consider itself a like minded nation will be invited to this conference.

May I remind the Prime Minister that there is opening next week in Geneva a meeting of the contracting parties of GATT at which, if this government is really interested in pushing this matter forward, it might have had a minister present to begin the conversations at the present time. However, Mr. Speaker, at this GATT conference of contracting parties Canada will be represented not by a minister but by an official. While he is a very highly qualified and competent official, he is still an official. This would have been a good time to begin this process of ministerial consultation.

It is also true, Mr. Speaker,—and the Prime Minister has referred to it—that there is on the order paper at the United Nations assembly a proposal for a United Nations conference to remove barriers to trade. No doubt the government will be considering how it can relate its proposal for a conference of like minded nations to this proposal for a conference of all members of the United Nations to broaden the boundaries of trade.

In any event, we on this side welcome the government's last minute conversion and desire to co-operate with the United States in this matter. However, I would point out that a process which would be more encouraging for immediate results, as it would have been a year ago, would be to work with the United States, the European common market, the United Kingdom and the commonwealth in order to reduce barriers within

our own boundaries and to have that reduction extended through GATT by the most favoured nation clause to all like minded nations.

(Translation):

Mr. Real Caouette (Villeneuve): Mr. Speaker, the project that the Prime Minister (Mr. Diefenbaker) has just announced to the house is certainly likely to help the Canadian economy.

We, in this part of the house, are in favour of a meeting of all commonwealth countries with a view to seeing what action should be taken to promote trade with other countries of the world.

We believe that if the free world wants to prevent communism from rising or expanding throughout the world, it will not achieve its end with weapons or wars, but through the establishment of an economic system conducive to the full development of all free countries, thus setting the example of fair and true peace to the whole world. Nations now under communist control will then be able to realize that in a free world things can be accomplished that the communists were never able to achieve.

We are very pleased to note that our relations with the United States are most friendly, but it is not by playing politics, indulging in fanciful thinking and seeking farfetched solutions, as our Liberal friends have done in the past, that we shall achieve our purpose.

Canada is an extremely rich country. We must enter international markets. We shall certainly support the government in certain measures introduced to help the smaller countries of the world, the nations that still believe in the freedom and full development of humanity, those countries that allow the individual to go ahead in all fields, and the small nations anxious to develop according to their possibilities and desires.

Mr. Speaker, we are interested in international questions, but we should not forget national questions in which we are more deeply involved.

The international market is very important to our exports, but we believe that the home market strengthens our production and that, thanks to better relations with the United States and the countries of the free world, through our international organizations, we can find better ways to sell our products. Should it become necessary to have a common market, we shall consider the European common market which at that time will enable us to be among those countries that share our love for freedom and security, to the best advantage of all nations of the world and especially Canada.

(Text):

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on looking around the house it was to me obvious that all hon. members were interested in the statement of the Prime Minister. I am sure most hon. members noted that he rose in a somewhat more sprightly manner this morning than that in which he has risen on a number of other occasions during this session.

The members of this group have always been interested in and welcome the promotion of international trade, as well as the development of the commodity agreements to which the Prime Minister referred in his statement. Moreover, the members of this group welcome the promotion of trade with all countries in the world because we believe international trade is one of the weapons that can be used in the fight for understanding between nations and ultimate peace.

We are also very much concerned with the development of the commonwealth through co-operation and trade. This group has expressed its opinions on that subject repeatedly throughout the years in this house. We welcome anything that can be done to stimulate understanding, co-operation and trade among the various sections of the commonwealth within the framework of international trade.

However, Mr. Speaker, before resuming my seat I must say also that the Prime Minister appeared very relieved when he rose this morning to announce the support of President Kennedy for his proposals. I can well understand that. I am quite sure that a good many members of the house thought they were in somewhat vague and general terms. However, we in this group welcome any co-operation among countries in the direction mentioned by the Prime Minister. Only the future will tell whether we have listened to platitudes or whether a course is being charted that will lead to action to the advantage of all mankind.

[*Later:*]

On the orders of the day:

Mr. T. R. Berger (Vancouver-Burrard): I wish to direct a question to the right hon. Prime Minister. In view of his announcement this morning, can he tell the house whether it is the government's intention to implement the suggestion made by T. C. Douglas that the government of Canada—

Mr. Speaker: Order. The hon. member is proffering information in trying to make a point.

Mr. Berger: I was trying to lay, Mr. Speaker—

Mr. Speaker: I think it was quite clear what the hon. gentleman was trying to do, and I do not think it was quite in order.

Mr. Berger: Mr. Speaker, on a point of order, I was trying to lay the factual groundwork for my question, which I regard as dealing with urgently required information.

Mr. Speaker: The hon. member on two or three counts had transgressed by the time I had cut it short. I think perhaps if he will think over the question he would like to put and draft it in a way that might be acceptable, it would be much better.

[*Later:*]

Mr. Berger: Mr. Speaker, I have altered my question in accordance with Your Honour's kind suggestion and I should like to ask the Prime Minister whether, in view of his announcement this morning, it is the government's intention to ask parliament to give to the government the same right to reduce tariffs that President Kennedy has under the trade expansion act.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think that question is one that cannot be asked on the orders of the day, on several grounds. Of course the usual answer, which would be appropriate, is that if any decision is made in that regard, parliament will be informed.

CRIMINAL CODE

AMENDMENT TO CHANGE RULE RESPECTING INSANITY

Mr. F. Andrew Brewin (Greenwood) moved for leave to introduce Bill No. C-65, to amend the Criminal Code (insanity).

Some hon. Members: Explain.

Mr. Brewin: Mr. Speaker, the purpose of this bill is to amend the Criminal Code so as to abolish the rule in M'Naghten's case as to criminal responsibility of the insane. That rule originated in 1843, and is to the effect that insanity as a defence to a criminal charge means a disease of the mind to the extent that the accused is incapable of appreciating the nature and quality of his acts, or knowing that they are wrong.

The proposed amendment substitutes a rule that a person is insane for this purpose if his act is the product of mental disease or defect. The proposed amendment is in line with modern concepts of mental illness and criminal responsibility.

Motion agreed to and bill read the first time.

IMMIGRATION

EXTENSION OF AMNESTY TO CERTAIN PERSONS ILLEGALLY IN CANADA

Mr. Ian G. Wahn (St. Paul's) moved for leave to introduce Bill No. C-66, to grant amnesty to and confirm the rights of Asians, Africans and other persons subject to racial discrimination whose admission to Canada may have been irregular or illegal.

Some hon. Members: Explain.

Mr. Wahn: Mr. Speaker, the purpose of this bill is to grant amnesty to and confirm the rights of Chinese and other Asians, Africans and also other persons who may have entered Canada by means of deception or other irregular or illegal means but who would not have been forced to resort to such deception or irregular or illegal means had they been citizens of other countries which are treated more favourably under our immigration regulations.

Motion agreed to and bill read the first time.

FINANCE

LEGISLATION PROVIDING RELIEF AGAINST UNCONSCIONABLE TRANSACTIONS

Mr. D. S. Macdonald (Rosedale) moved for leave to introduce Bill No. C-67, respecting relief against unconscionable transactions.

Some hon. Members: Explain.

Mr. Macdonald (Rosedale): Mr. Speaker, on Tuesday of this week, October 16, the Ontario court of appeal delivered reasons for judgment in the case of Sampson *v.* Barfried Enterprises Limited holding that the Ontario unconscionable transactions relief act was ultra vires of the province as being in relation to interest, a subject matter within the legislative competence of the government of Canada. The bill proposes to enact as a statute of Canada substantially the provisions of the Ontario act, which I might say are substantially repeated in the laws of several of the other provinces.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

PROCEDURE TO PROVIDE FOR DISCUSSION OF ECONOMIC MATTERS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the house leader. If we dispose of interim supply today, how does the government intend to proceed with reference to the general debate on economic matters which he announced last night when we go into committee of ways and means on Monday?

Hon. Gordon Churchill (Minister of Veterans Affairs): I thank the hon. member for raising this point, because it gives me an opportunity to explain to the house what we have in mind. We propose to move into committee of ways and means on Monday with the chairman in the chair. At that time the Minister of Finance will introduce one of the budget resolutions which came before the house last April. Instead of speeches being related strictly to the budget resolution at that time we suggest, and this would have to be done by consent of the house, that a general debate be permitted with the Minister of Finance leading off.

The second suggestion I would make is that, again with the consent of the house, the Minister of Finance be permitted as much time as he requires for his statement, and that whoever leads off for the official opposition also be granted as much time as is required to make a reply. I also suggest that the leaders of the other two parties be given 40 minutes each for their statements, and that subsequent participants in the debate be guided by the 30 minute rule so far as discussion is concerned.

This is a departure from the procedure in the past, but it would open the way for a general discussion on economic matters in Canada. It would be in the committee stage where there is considerable freedom of debate and, with this opportunity being provided, we would hope that the house might see fit to deal rather promptly with interim supply today, which involves asking for a month's supply just to carry on the normal business of the government.

If this suggestion is agreeable to the house, that is what we would do on Monday. We could then decide next week whether the general debate on the first resolution should carry on for a limited time or such time as is agreeable to the house. By consultation we might effect an allocation of time agreeable to all members. I make these suggestions with the full intention of providing ample opportunity for the house to have a full debate on economic matters affecting Canada, and when the house has satisfied itself in that regard we would then deal specifically with each of the budget resolutions in turn and the rule of relevancy would be applied at that stage.

Mr. Chevrier: I thank the leader of the house for his lengthy reply, but may I ask another question. Having regard to the last part of his statement, may I ask this. Would we be considering budget resolutions after we have had the general debate, and would we be considering budget resolutions without a budget?

Mr. Churchill: We are working on the assumption that there was a budget earlier in this fiscal year and these measures, introduced at that time, naturally have to have the approval of the house. Perhaps the Minister of Finance might deal more adequately with that particular question or matters relating to it.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if this arrangement is carried into effect there are details that perhaps could be better worked out by a meeting of the representatives of the various parties. However, there is a question of principle which I think should be asked and answered at this point. If this arrangement is carried out, does it mean that for the fiscal year 1962-63 there will have been no complete, formal budget debate in this house with Mr. Speaker in the chair and the usual opportunities to test the government on its budget policies?

Mr. Churchill: The answer to that, Mr. Speaker, is that if there is any test of the government on any of its policies, that test can be applied here almost every day. I think we have observed that. There would have been a complete budget debate according to the rules last spring had the house continued in session. There is no obligation imposed by the rules to have a specific time for a budget debate. The rule says it may go on for six days, but it is not mandatory. I think, under the suggestion I have made, there is certainly no restriction on debate. In fact we are allowing much greater latitude than perhaps would be the case in a budget debate with Mr. Speaker in the chair.

I grant that the opportunity to move an amendment or subamendment is not there with the chairman in the chair. However, there would be opportunities when the budget resolutions were before the house to make such motions as members of the opposition wished.

Mr. Knowles: May I ask a supplementary question. In view of all the factors in the

picture—and I do not want to transgress the rules to spell them out, both in view of the facts in connection with the budgetary and financial situation, the election and all that—does the minister not think it would be fairer to the rights of parliament to have the recognized budget debate with Mr. Speaker in the chair, and with the opportunity to move amendments to test the government? Are we not bypassing the traditional procedures of the house by making an arrangement which may, in the end, take more time than the other way would take, the only effect of which is to avoid a formal test of budget policies in the house?

Mr. Churchill: I want to make it quite clear the government is not attempting to avoid anything in the nature of a test of its position. The suggestion is put forward as a vehicle whereby there may be complete freedom of debate and members may participate as they wish. I agree there may be a difference of opinion as to the method suggested. We are putting this forward in good faith and hope that the house will agree to the proposal.

Mr. Chevrier: May I ask a further question. Would the house leader agree to the ordinary motion being made before the Speaker leaves the chair so that an amendment could be proposed by those of the opposition who may feel so disposed? In that way the suggestion that the house leader has just made, concerning the effect of the debate and a testing of the house, would not be curtailed in any way. We would then have the same rights as we would have had in the last session had the budget been under discussion in the ordinary method. What I am asking now is, would the government consent to the ordinary amendment being made when the motion is made for the Speaker to leave the chair?

Mr. Churchill: Perhaps, as the hon. member for Winnipeg North Centre suggested, some of these problems might better be discussed by representatives of the parties meeting together. Close attention has been paid to these suggestions, and perhaps during the course of the day we might consult.

Mr. Speaker: I was beginning to reach the point where I was going to suggest the same thing, because I think we are having a committee meeting in the plenary session of the house.

Mr. Knowles: Perhaps the minister will invite us to lunch.

Mr. Churchill: I will if the hon. member will pay for it.

Mr. Chevrier: Then there will be no lunch.

[Mr. Knowles.]

COMBINES

REQUEST FOR LEGISLATION TO EXTEND TERMS OF RETIRING COMMISSION MEMBERS

On the orders of the day:

Mr. D. S. Macdonald (Rosedale): I should like to address a question to the Minister of Justice. Will the minister consider withdrawing Bill No. C-49, to amend the Combines Investigation Act, and submitting a bill providing, inter alia, for the extension of the terms of the two retiring members of the restrictive trade practices commission for such further period as may be necessary to complete all inquiries upon which the commission has taken evidence, and presenting such bill for the consideration of this house with all possible speed?

Hon. Donald M. Fleming (Minister of Justice): No, sir. The suggestion would be entirely impracticable.

(Translation):

TRADE

CUBA—DENIAL OF EXPORT PERMIT BY U.S.

On the orders of the day:

Mr. Andre Bernier (Richmond-Wolfe): Mr. Speaker, my question is directed to the Prime Minister.

Could the Prime Minister inform this house as to what action he intends to take in view of the decision taken by Washington to deny the Canadian firm Swatson Livet any export privilege to Cuba?

(Text):

Right Hon. J. G. Diefenbaker (Prime Minister): I should like to be able to reply to the hon. member in French, but in the words of Mr. Churchill, cruel and unnatural punishments were abolished one hundred years ago. I will, therefore, answer him in English. This whole question is being viewed in the light of recent events, and when the government is in a position to place its decision before the house, that will be done.

CANADIAN PACIFIC RAILWAY

INQUIRY AS TO APPOINTMENT OF MEDIATOR IN LABOUR DISPUTE

On the orders of the day:

Mr. Frank Howard (Skeena): I wonder if I might ask the Minister of Labour whether, in view of the imminence of a strike within the Canadian Pacific Railway structure, he is in the process of seeking an experienced mediator to deal with this particular question.

Hon. Michael Starr (Minister of Labour): Yes, Mr. Speaker.

Mr. Howard: Is the minister in a position to indicate to the house who this person will be?

Mr. Starr: No, Mr. Speaker.

FINANCE

REQUEST FOR REMOVAL OF EXPORT TAX ON ELECTRICITY

On the orders of the day:

Mr. Jack Davis (Coast-Capilano): I should like to address a question to the Minister of Finance. In view of the change in policy in respect of the export of electric power from Canada, as announced in the speech from the throne, is the minister giving immediate consideration to the removal of the export tax on electricity from this country? I might mention it is the only export tax levied in this country.

Hon. George C. Nowlan (Minister of Finance): That is a matter for the budget, Mr. Speaker, and at the moment I am not prepared to go further.

ACTION WITH RESPECT TO BANKRUPTCY FRAUDS

On the orders of the day:

Mr. J. C. Munro (Hamilton East): I wish to direct a question to the Minister of Justice. Is the minister's department giving consideration to the brief on bankruptcy frauds presented to him and, if so, what action does the department intend to take?

Mr. Speaker: Order. I would earnestly submit to the hon. member that he review his thinking with regard to questions on orders of the day.

TRANSPORT

NEWFOUNDLAND—PROPOSED CLOSING OF BRANCH LINE

On the orders of the day:

Mr. R. J. Cashin (St. John's West): I should like to direct a question to the Minister of Transport, and I apologize for not having given him notice. Have any representations been made by the federal government opposing the proposed closing of the Canadian National branch line from Placentia to Argentia Junction?

Mr. Speaker: Order. I seem to detect a pattern here. Once a railway indicates that it wants to close a local section of line or curtail some railway service, it is treated as a matter of great and urgent importance to be answered on orders of the day. I think hon. members will realize that they can better put their questions and get better information if they use the appropriate procedures of the order paper.

(Translation):

HOUSE OF COMMONS

LETTERS IN FRENCH FROM SERGEANT-AT-ARMS

Mr. Bernard Dumont (Bellechasse): Mr. Speaker, I shall endeavour to speak slowly, although I am having some difficulty in getting used to the slow pace of parliament.

Some hon. Members: Oh, oh.

Mr. Dumont: My question is directed to the Prime Minister and has to do with some explanations I got in a letter written in English and on which are inscribed the words "Sergeant-at-Arms", which sounds like—*chargez l'arme*. I must say I find the mention of arms rather disturbing, especially since there was a reference to swords fifteen days ago.

Some hon. Members: Oh, oh.

Mr. Dumont: Here is my question. Could the Prime Minister ask the Sergeant-at-Arms, Mr. Currie, to write us, members from Quebec, in French when he has something he wishes to say to us. I am worried when arms are mentioned in this house.

Mr. Speaker: The duties of the Sergeant-at-Arms come under the jurisdiction of the Speaker of this house. We will see that the hon. member's wishes are complied with, although this may be a bit difficult to do at times. But we shall endeavour in every way possible to address our communications to hon. members in their own language, even though the situation may be rather delicate sometimes.

TRANSLATION INTO FRENCH OF WORK BY BEAUCHESNE

On the orders of the day:

Mr. J.-P. Cook (Montmagny-L'Islet): May I direct a question to the Prime Minister? Could the Prime Minister tell me whether he has started to consider the question he took as notice, last Wednesday, regarding the translation of Beauchesne's?

(Text):

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I decided to look up Beauchesne myself after the question was asked. I find that Beauchesne is copyrighted in Canada by Arthur Beauchesne. The fourth edition is published by the Carswell Company Limited. While the people of Canada do purchase a number of copies, we have no control whatever over the question as to whether they should be published in English or in French. Indeed, for the government to

ask for it to be published in French, however desirable that may be, would be an invasion and an infringement of the Copyright Act. Any question in connection with producing a French edition would have to be directed to the publishers.

Mr. Knowles: Mr. Speaker, may I ask a supplementary question.

(Translation):

Mr. Cook: May I put a supplementary question to the Prime Minister? Does the Prime Minister intend to submit a request in that regard to the holders of the copyright on Beauchesne's?

(Text):

Mr. Diefenbaker: Mr. Speaker, I do not think a request would be very effective. It is today a rather costly matter to produce a volume of any of these books. Naturally it is requisite that the publishers make a profit; a certain number have to be sold. I presume that is the reason an edition in French has not been produced. However, I will bring the hon. gentleman's question and suggestion to the attention of the company.

Mr. Chevrier: Mr. Speaker, may I ask a supplementary question?

Mr. Speaker: The hon. member for Winnipeg North Centre had previously indicated that he wished to ask a supplementary question. Therefore I will recognize him, and then the hon. member for Laurier.

Mr. Stanley Knowles (Winnipeg North Centre): Thank you, Mr. Speaker. This is my supplementary question. In view of the fact that Beauchesne's fourth edition, though a private publication, is furnished to all members of parliament by an officer of the house, is there not substance to the request of my hon. friends opposite that the house or the government should consider having it translated into French?

Some hon. Members: Oh, oh.

Mr. Speaker: Order. The question is a matter of straight argument. I feel it is hardly in keeping. We have heard various representations on this subject, and I do not think the hon. member for Winnipeg North Centre should advance his question in that form; he is just advancing a straight argument.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, my supplementary question is not an argumentative one; it is a straight question. I ask the Prime Minister whether the government will give consideration to underwriting the cost of this work and advising the publishers to that effect.

Mr. Diefenbaker: Mr. Speaker, the government has no authority to underwrite any expenditure. Parliament could do so, but not the government. I am sure the hon. gentleman would rephrase his question if he now had the opportunity to do so. I think it is most desirable and necessary that the rules should be made available in the French language.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I thank the hon. gentleman and the hon. member for Lapointe for having brought to the attention of the house this matter which was so long neglected by the other side.

UNITED NATIONS

NUCLEAR TESTING—CANADIAN POSITION RESPECTING MEXICAN RESOLUTION

On the orders of the day:

Mr. Andrew Brewin (Greenwood): I wish to direct a question to the Secretary of State for External Affairs. Is Canada supporting the Mexican resolution at the United Nations for a ban on nuclear tests to come into effect on January 1, 1963?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the question of nuclear weapons tests is now being discussed in the first committee at the United Nations but as yet there has been no actual resolution filed. However, the representative of Mexico, in a speech to the plenary assembly, outlined a resolution which he suggested could be considered by the other members of the United Nations.

Mexico, as the hon. member knows, is one of the eight non-unaligned countries which have been sitting in on the disarmament committee meetings in Geneva. And by the way, these eight countries, in my opinion, have done a splendid job. They are now conferring in New York on the terms of a resolution which I expect will be placed before the first committee.

Canada, of course, has been very active in this whole picture and is a member of the disarmament committee. We are fairly well aware of negotiations which are going on, but at the moment it would be premature for me to say what stand Canada would be taking because there is no actual resolution yet.

There have been several questions asked about what has been happening in New York with regard to this very serious question of nuclear weapons tests, and if members so wish I would be glad to provide a copy of my speech in the plenary assembly on September 25 and a copy of the speech made by General Burns, our disarmament advisor, in the first committee a few days ago. From these speeches hon. members will know exactly the position Canada has been taking and is taking in New York on this question.

Mr. H. W. Herridge (Kootenay West): I am sure the minister's remarks warm the cockles of a good many Canadian hearts, but in view of the great concern with this question on the part of Canadians generally, and their desire to be as well informed as possible, will the minister consider obtaining permission of the house to have the documents mentioned printed as an appendix to today's *Hansard*?

Mr. Green: I am in the hands of the house with regard to that suggestion.

Mr. Speaker: There has been a request and the minister has indicated that he seeks the unanimous approval of the house that the two speeches referred to be printed as an appendix to *Hansard*. Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: For text of documents above referred to, see appendix.*]

(Translation):

LABOUR CONDITIONS

WINTER WORKS IN UNORGANIZED MUNICIPALITIES

On the orders of the day:

Mr. Gerard Laprise (Chapleau): Mr. Speaker, I should like to ask the Minister of Labour a question. Is he aware of the fact that for financial reasons, one or more county councils refuse to take part in the winter works program this year? If so, does he intend to assist in some other way the localities not organized in municipalities?

Mr. Speaker: Order. I think the hon. member will recognize that his question is out of order.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO REPLACEMENT OF QUEBEC GOVERNORS

On the orders of the day:

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. I am sorry but I did not advise him beforehand. Would the minister tell us if he intends to replace the two C.B.C. governors from Quebec who resigned during the summer, or if he has done so already?

(Text):

Hon. H. J. Flemming (Minister of National Revenue): Mr. Speaker, I think this question would more properly be directed to the Secretary of State.

Hon. G. E. Halpenny (Secretary of State): Mr. Speaker, I thought the hon. member was addressing it to my colleague. Anyway I did not hear it and I wonder would he repeat it or place it on the order paper.

(Translation):

Mr. Lessard (Lake St. John): Mr. Speaker, this question was addressed to the Minister of National Revenue or to the Secretary of State—

Mr. Speaker: Yes, but I do not think your question is in order. I cannot see why it should be asked at this particular time since it is of no urgency.

Mr. Lessard (Lake St. John): Mr. Speaker, I think it is urgent, for us in Quebec, that those two C.B.C. governors be appointed in view of the requests that are made at the present time for new radio and television stations.

Mr. Speaker: It may be that the question is important—or that the problem is important—but not enough to warrant a reply now.

(Text):

FISHERIES

BRITISH COLUMBIA—IMPLEMENTATION OF RECOMMENDATIONS RESPECTING LICENCES

On the orders of the day:

Mr. Barry Mather (New Westminster): I wish to direct a question to the Minister of Fisheries. By way of explanation, on September 28 I asked the minister if it was the government's intention to introduce legislation at this session based on the recommendations of the Sinclair report. This was under orders of the day, in respect to licence limitation in the fishing industry. The minister replied that day that no decision had been made.

My question today is, has a decision been arrived at in the last three weeks, or is it still in a state of indecision?

Mr. Speaker: I think the hon. member, with the last few words, rather ruled himself out. I cannot conceive at the moment that there is great urgency in obtaining the information on orders of the day.

Mr. Mather: On a point of order, Mr. Speaker, the point is, how can a matter which was considered urgent three weeks ago and on which, as far as I know, no action has been taken, be considered less urgent today?

Mr. Speaker: I am not going to argue the point with the hon. member. It may be that the minister answered the question out of courtesy.

Interim Supply

NORTHERN AFFAIRS

ESKIMOS—REPRESENTATIONS RESPECTING LANGUAGE INSTRUCTION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Northern Affairs and National Resources a question relating to a rapidly developing situation in one part of Canada where the matter of Eskimos learning English rather than French has become most contentious at the present moment. Has the minister received representations recently from the Quebec government on this matter, and if so, what response has he made?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, no representations have been received by myself.

SUPPLY

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

INTERIM SUPPLY

Mr. Nowlan moved:

Resolved, that a sum not exceeding $231,819,569.82 being the aggregate of—

(a) two thirds of the total of the amounts of the items set forth in the revised estimates for the fiscal year ending March 31, 1963, laid before the House of Commons at the present session of parliament, $2,514,223,947.34;

(b) an additional one quarter of the amounts of atomic energy item 5, finance item 50, forestry item 11, labour item 40, legislation items 30 and 35, national defence item 70, national health and welfare item 25, northern affairs and national resources item 10, public works items 5, 45, 125, 190 and 200, Royal Canadian Mounted Police items 5 and 25, loans, investments and advances item L-20 of the said revised estimates, $33,266,831.25;

(c) an additional one sixth of the amounts of Canadian Broadcasting Corporation item 5, mines and technical surveys items 30, 35, 40, 70, 80, 125 and 130, northern affairs and national resources item 45, public works items 70, 100, 105 and 180, Royal Canadian Mounted Police item 15, transport items 40, 60, 80 and 85, of the said revised estimates, $11,139,450.00;

(d) an additional one twelfth of agriculture item 145, citizenship and immigration items 30, 40 and 90, finance items 30 and 45, fisheries items 25, 35, 45 and 85, forestry items 15, 25 and 35, legislation item 25, mines and technical surveys items 50, 60, 100 and 140, national defence item 25, national film board item 1, national research council item 1, national revenue item 5, northern affairs and national resources items 25, 60, 90 and 110, public works item 110, trade and commerce items 15 and 20, transport items 100 and 125, veterans affairs items 45 and 50 of the said revised estimates, $52,558,215.00.

Less amounts authorized to be paid and applied by the Appropriation Act No. 3, 1962 and the Appropriation Act No. 5, 1962, in respect of the corresponding items in the main estimates referred to in those acts, $2,379,368,873.77.

be granted to Her Majesty on account of the present fiscal year ending March 31, 1963.

[Mr. Speaker.]

The Chairman: Shall the resolution carry?

Mr. Nowlan: Perhaps I should say a word in connection with this resolution which you have just read, Mr. Chairman, and which is in the form in which it has always appeared in interim supply resolutions in the past.

I want to make one or two things clear to the committee. The proportions requested in this bill are intended to provide for all necessary requirements of the public service up to November 30. In no instance is the total amount of an item as shown in the revised estimates for 1962-63 being released. The bill itself has been prepared, in so far as possible, in the form with which hon. members have become familiar over the past several years. Some change has been required this year, however, as a consequence of the revision of the estimates. Former appropriation acts released supply on the basis of the amounts shown in the estimates tabled on February 12, 1962. Those estimates having been replaced by the revised estimates, it is not possible to use them as the basis of further supply, so the bill has been or will be revised in accordance with the amounts set forth in the revised estimates tabled yesterday.

I give the usual assurance to the committee that the passage of the bill will in no way prejudice the rights and privileges of hon. members to criticize any item in the estimates when it comes up for consideration in committee of supply, and the usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure.

Mr. Pearson: It is, of course, the historic right of the Commons to discuss any matter before granting supply. That is a right which goes back to the very beginning of our parliamentary history and one which is cherished in all free parliaments. I propose to exercise that right today by making only a very brief statement of the position of the official opposition respecting the request which has just been made by the Minister of Finance for interim supply for one month, a request accompanied by the usual assurance, an assurance which we appreciate.

By limiting his demands to a single month the Minister of Finance is showing, if I may say so, a proper respect for the right of this house to control expenditure, and I commend him for doing so even though my commendation may make him feel a little uncomfortable. Indeed, it may make me later feel a little uncomfortable; one never knows in these matters. This procedure, this limitation of the request to one month only, will give the committee—if this parliament lasts so long—an opportunity to deal again with

interim supply in a month's time and in the light of what progress is being made, or not being made, during that month; perhaps even in the light of a budget, which we have a right to expect the government to produce.

Since the revised estimates were tabled yesterday we on this side have not, of course, had much opportunity to examine all the implications of the reductions which have been made in those estimates as compared with the estimates tabled by the former minister of finance in the last session of the previous parliament. Especially we have not had much opportunity to consider the possible effect of those reductions on employment, a matter which is very much in all our minds as we approach the winter. We have not had time to do that, but we do not complain about it; because we have an opportunity now to make an examination of this kind, and we shall be in a position to discuss the changes and their implications on the next occasion when the minister appears before us to ask for interim supply, if indeed an opportunity does not present itself before then.

When I spoke in the debate on the address on October 1 I indicated that if the house should reject the motion of want of confidence being put forward at that time, as well as subsequent similar motions moved during that debate, this would mean that the government would have a mandate at least to introduce its legislative and other proposals. I also indicated at that time, and I repeat it now, that each of those proposals would be considered on its merits by the official opposition in exactly the same way as if the government had a clear majority in this house. That did not mean then, and it does not mean now, that we were, or are, giving approval in advance to any measure or action taken by the government. It did mean we would give each measure objective consideration in the light of the public interest.

We recognize that there are economic and financial problems affecting the livelihood and the welfare of the Canadian people which need to be dealt with urgently. We recall that the Prime Minister during the summer stated that longer term economic measures would be brought forward by the government when parliament met in September. He was contrasting those measures with emergency measures. Now that the government has received its vote of confidence it has no excuse for any delay in bringing forward these really urgent proposals. The best way to do that, of course, is by a new budget, so we look forward to receiving these long range economic and financial proposals at an early date. As each measure is brought forward we shall, of course, exercise to the full our constitutional rights as an opposition; by supporting those proposals which we consider to be good, by seeking to amend those proposals which we think we can make better, and by opposing those which we believe to be bad.

I repeat, we sincerely hope the government will shortly bring forward its urgent and important economic proposals. We hope it will not ask this house to deal first with a lot of legislation, some of it already on the order paper, which, though it may have a specialized importance, does not get down to the roots of our real problems in this country—the means of ensuring adequate economic growth necessary for full employment and national progress. We have the right to assume that the government has these economic proposals ready. Are we to take it that these proposals are not yet ready when the government, which has presumably been working on them, asks us to believe that in only four days it had worked out and put into effect an emergency austerity program which involved surcharges on dozens of categories of imports; with graduated surcharges of 5 per cent, 10 per cent and 15 per cent, with all the exemptions that had to be worked out also and with all the regulations that go with that kind of operation? The government asks us to believe that it put into effect in four days a program of cuts of this kind; that during those four days it went to the international monetary fund and to the export-import bank raising loans amounting to $1 billion; that it had made reciprocal currency arrangements with the United Kingdom and the federal reserve bank; that during those four days it had found a legal basis for this action, and had obtained an opinion on that score from the Department of Justice.

May I say, Mr. Chairman, that a government which can do all that in four days in order to deal with an emergency that suddenly boiled up at the beginning of those four days has, I am sure, a long range, far reaching economic and financial program to put before this House of Commons, so we expect to get it without delay. The best way in which to get it, of course, is in the form of a new budget.

In order that there will be no excuse for any delay in this matter of bringing forward these long range financial and economic proposals the official opposition, as I have said, has decided to let interim supply go through without further debate so far as we are concerned. However, we are only one of the minority parties in this House of Commons. Therefore if this debate does begin we shall naturally feel relieved from any obligation not to prolong the discussion, just as we reserve now our right to debate these matters

fully when they come up subsequently for discussion, when interim supply is requested in a month's time or prior to that time.

In making this statement I should not want to be misunderstood as implying that the official opposition has suddenly discovered any reason for confidence in this government. I hope I shall not be misunderstood on that score. Our position in that regard has not changed. However, we recognize the fact that, like the government, we are a minority in the House of Commons, and that as long as the government can command a majority here its constitutional right to remain in office is combined with its duty to deal with the urgent problems of the country with the least possible delay.

Hence we are prepared to allow this request for interim supply for one month to go through, so far as we are concerned, without any further debate. The government will then have both the opportunity and the obligation without delay to bring before the house, as I say, in the form of a new budget, those long range economic proposals which we have been led to believe for four months would be put before the people to take the place of this emergency austerity program.

(Translation):

Mr. Caouette: Mr. Chairman, to hear the Leader of the Opposition, one would think that when the Liberals were in power, the budget was tabled at the same time as the speech from the throne was delivered or during the debate on the address in reply to the speech from the throne. He is faster in the opposition than he ever was when he was a member of the government.

We were told a while ago that if the house so wishes, there would probably be a general debate on the supplementary revised estimates which were presented yesterday.

At this time, a request for interim supply for a period of one month is being submitted to us. Even if we were to discuss it during a whole month, it is obvious that we would still have to pay the country's bills for that month and keep the government services going. Consequently, any discussion on that subject is useless.

The general debate will take place Monday and Tuesday, we hope, and all the parties will have the opportunity at that time to put forth their program and to discuss important economic questions. But, for the time being, we support entirely the request of the minister for voting the estimates required for the services of Canada and we will not delay the house any further, because we wish to proceed with more urgent matters for the progress of Canada.

[Mr. Pearson.]

(Text):

Mr. Berger: Mr. Chairman, we in this corner of the house are anxious that the business of the nation should continue to be transacted. We are therefore willing to vote the government supply for another month. In doing so, however, we wish to urge upon the government the necessity for some effective action immediately with regard to the unemployment crisis with which Canada is faced at the present time and which is more than likely to deepen this winter unless something is done about it.

This is the first opportunity I have had, as a new member, to participate in one of the debates in this House of Commons. I think I could not expect any gratitude from my constituents if I were to talk about the people and places of interest in Vancouver-Burrard. Rather I think they would expect me to try to get parliament to do something about the economic disaster in Canada and about galloping unemployment, and also to do something to turn scarcity into abundance.

During the time I have been here I, like other hon. members, have been treated to the spectacle of the Prime Minister and the Leader of the Opposition arguing aimlessly at great length, or undue length, in the opinion of many members of the house, about things that we ought to have disposed of some time ago. They have been arguing about which of them was responsible for the decline in Canada's prestige and which of them was responsible for the dollar crisis. Each of them has invoked the shade of Mackenzie King to support his case. In fact, when the Prime Minister and the Leader of the Opposition were grappling with each other during the debate on the speech from the throne, many of us thought their speeches sounded so much alike that they must have been using the same speech writer.

This government thus far has not indicated that it is prepared to grapple with the problem of unemployment. The speech from the throne did not even mention the word "unemployment" although we have had hundreds of thousands of Canadians unemployed this year. I think we can look forward, not with any anticipation but with regret, to a winter during which there will be perhaps even one million unemployed. Yet the Prime Minister and his ministers are not prepared even to discuss unemployment. They are talking a different language from the rest of us.

In the speech from the throne the government stated that economic activity in Canada had moved ahead sharply. It may have done so, but many of us did not see it. The fact

is that when we caught sight of it, it appeared to be back where it had been previously. The Prime Minister asserts that production has moved to higher levels than ever before. This may be so. However, he has neglected to point out that production per capita has declined over the last year. It is not really good enough for the Prime Minister to tell the people that production in Canada has increased beyond the expectations of the hon. member for Davenport. What we are concerned about is not just production; we are concerned about providing useful work for men and women. This government ought to have its eye upon that social objective. What we are trying to do is achieve full employment, not simply to achieve greater and greater levels of production.

When we in this corner talk about full employment I think we owe it to the house to make clear what we are thinking about. When the Leader of the Opposition spoke during the throne speech debate he said that during the term of office of the regime of which he was a member, unemployment was 3 per cent from 1946 to 1957. He neglected to point out that from 1954 to 1956 unemployment was 4.1 per cent and was getting worse all the time. But you cannot measure full employment with these barren statistics. You can only achieve a policy of full employment when there are more vacant jobs than there are people without jobs. That is what we in this parliament should be trying to achieve, and what the government should be trying to achieve. You cannot simply measure unemployment statistically. You have to get rid of the notion that we can have tolerable levels of unemployment.

The hon. member for Davenport in his well known report to the late Liberal government talked about a tolerable level of unemployment of 3 per cent or 4 per cent, but we say this is entirely the wrong way to look at the situation. What we ought to be trying to establish is a situation where if there is anyone out of work, be it 1 per cent or 2 per cent or 3 per cent of the labour force, there are no people who are chronically unemployed as so many thousands were during the old Liberal regime and as so many thousands have been during the present regime. What we want to achieve is a situation where anyone out of work knows and lives secure in the knowledge that he can move to another job when he wishes, or that his old job will certainly be available to him before long.

I think this is the objective that all parties in the house should be seeking. We in this corner of the house have said that this objective can be accomplished through social and economic planning. The government so far have indicated that they are unwilling to grasp this concept. They have promised us a national economic development board. We are looking forward to the introduction of the legislation to establish that board, and we hope it will be legislation which will adopt in a genuine fashion the whole idea of social and economic planning. If it does so the government can rest assured that it will receive the support of hon. members in this corner of the house.

But we believe that the government should be giving serious consideration to the kind of planning that will bring about full employment in this country. You cannot bring about full employment simply by increasing the supply of money. I know that hon. members opposite in the Social Credit group believe that you can, but you cannot do it in that simple way. True, increasing demand, increasing purchasing power, increasing the supply of money—this is one of the tools by which you can achieve prosperity and full employment, but by itself it will not accomplish a great deal. We could increase transfer payments in this country and we would not achieve full employment, because by putting purchasing power in the hands of our people we do not bring idle labour and idle capacity together. This, of course, is what our friends opposite continually overlook. This is the fundamental fallacy of their approach to the matter.

Mr. Patterson: I am glad you have studied it, anyway.

Mr. Berger: The necessity we must face is the necessity for planning, and you cannot plan if you are simply going to increase the supply of money—

(Translation):

An hon. Member: And the balance, later on?

(Text):

Mr. Berger: —and thereby induce a state of indiscriminate spending; because if you go to the store to buy groceries you do not by doing so put construction workers back to work. This is why we in this corner of the house feel that it is necessary to go very much beyond the rather primitive concept which those who espouse Social Credit theories urge us to accept, because we believe that you have to plan public and private investment in this country.

(Translation):

An hon. Member: How will you go about it?

(Text):

Mr. Berger: The government has the fiscal and monetary tools to regulate public investment in Canada and, as speakers from this corner of the house have already done, I

urge the government to expand spending in the public sector. We have urged them to forgo their outmoded goal of a balanced budget in times of near depression and mass unemployment, and to increase spending to enable our people to get back to work and expand the social capital so badly needed in this country at all levels of government.

The Minister of Finance told us yesterday that $109 million that had been allocated for the construction of public buildings by the federal government had been slashed from the federal budget. We think that was a grave error. We hope the minister will soon discover, and we hope it will not be too late when he does, that this is the worst possible action to take to put Canada back on its feet. It is simply going to make Canada's situation even worse.

The minister told us that $33 million in grants and subsidies was being slashed from the federal government's spending program, and this included $3½ million that would have been used for hospital construction. I suggest to the minister that in Canada today we not only need this kind of spending to stimulate the economy and put people back to work, but we need just as much the things it can provide. When we have overcrowded hospitals in British Columbia—partly owing to the fact that we have a Social Credit government, I suppose—and throughout the rest of the country, I suggest to the Minister of Finance that this expenditure is one which ought to be reinstated at the earliest possible moment.

The federal government has at its command the power to regulate public investment. This is a power which should be used to make available to the municipalities of this country low interest loans that would enable the municipalities to get working on the backlog of community requirements which all of them have; but if the government is going to pursue its fallacious tight money policies I suggest that Canada is just going to get into a worse mess than it already is in.

Over the past few years the government has had a municipal winter works incentive program. Last winter $35 million was expended by the federal government on payroll costs in connection with that program. This is commendable as far as it goes, except that it does not get to the root of the problem. These expenditures were designed to enable municipalities to take on their payrolls people who would not otherwise have been employed last winter. It was an emergency measure, but we suggest to the government most seriously and urgently that it should consider getting to the root of the problem by enabling municipalities to go into the money market to borrow the money they need to get on with the projects that they feel they have to undertake, and which are most urgently required in communities right across the country.

If you are going to regulate public investment in order to plan the economy you have to regulate private investment as well. This is a step which the other parties in the house so far as I can tell, and I have listened attentively to their spokesmen for three weeks, are not prepared to take. But you cannot just half plan. If you are going to regulate public investment you have to regulate private investment. Our government should be prepared to regulate the location of new industries, to concern itself with the expansion of existing industries, to concern itself with the development of new projects, to provide loans to cover the cost of installing plants and to encourage industry to locate in those areas where there is chronic unemployment.

Unless the government are prepared to take action in these respects, there is not a great deal that we can expect them to accomplish. I suggest that the government cannot any longer permit the fundamental economic decisions which affect the future of the country, which affect the future of all members in this house and of all people right across this nation, to be taken by the leaders of private industry without the elected representatives of the people having any right to intercede on behalf of the people.

I suggest that to make the managing director of the Argus Corporation a member of the privy council is not precisely what those of us who have urged economic planning had in mind. We argue that when private industry is taking decisions which are going to determine the location of new industries, which are going to determine whether in years to come our children will have jobs, whether we will be able to afford to educate our children, whether we are going to manufacture essential or frivolous products in this country, the government of this country ought to intercede and express the public interest with regard to these matters. I suggest that until we have a government in this country that is prepared to plan in this way we are never going to achieve prosperity and full employment.

Now, many Conservative spokesmen ask how you are going to get the money for all of these things you say you want to do? We know how hon. members opposite would get the money. Their conception of government is one man with a printing press. But we believe the money is there. If Canadians' savings were put to work there would not be any shortage of Canadian dollars. Most of our people are paying off mortgages on their homes, paying into pension plans and buying life insurance. These are the savings of the

Canadian people. If we were to establish a Canadian development fund, if we were to require the financial institutions of this country to invest a certain percentage of the savings of Canadians which they control in a Canadian development fund, there would be plenty of money available to finance social capital. I hear an interjection about a politbureau.

An hon. Member: No, I said set up a woollen mill.

Mr. Berger: This is the kind of thing you get when you plumb the intellectual depths of the Conservative party.

In our view, Mr. Chairman, a Canadian development fund would make money available to provide social capital at all levels of government. In this way we could enable private enterprise to expand its operations, and we would be enabled eventually to repatriate so much of our industry that has fallen under foreign control. One spokesman for the Liberal party, the hon. member for Davenport, did deplore the fact that so much of our manufacturing industry, our petroleum industry, our mining industry, had fallen under foreign control. Well, the fact that so much of our industry is under foreign control results from the policies, or perhaps they would be better described as non-policies, of the old Liberal government. After the war the Liberals allowed foreign investment, principally United States investment, to come into this country so that there was a vast accumulation of equity capital, and when it receded there was economic dislocation in this country.

There was no reason why this country could not have been developed by loan capital instead of equity capital. I think we in this corner should make it clear that we do not hold the present government entirely responsible for that state of affairs. It is true they have done nothing about it, but it was the old Liberal government that failed to do anything to prevent that situation coming to pass. If Canadians had control over their own economy, over their own savings, there would be no shortage of Canadian dollars and no exchange crisis. The fact is that last year, in 1961, $761 million was paid by Canada to the United States by way of interest and dividends on United States investment in Canada. When the post-war wave of investment from the United States receded, we found ourselves in the terrible situation from which the Prime Minister and his advisers are still trying to extricate us.

Today, planning in our economic affairs is even more urgently required than ever before because a new element has come into the picture. Planning has been adopted in many parts of the world for many years. However, today planners will have to take into consideration the factor of automation. This is something that planners have to do something about, and that we in this corner urge the government to do something about. Perhaps in the time that remains to me I can suggest what the government ought to do about automation, and that being the case, may I call it one o'clock?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Berger: Mr. Chairman, I know the Minister of Finance is anxious that I should complete my remarks, but for his benefit I feel obliged to conclude them in the way I had planned. Before the luncheon recess I was about to discuss automation. I pointed out that if the government is prepared to undertake a program of economic planning, such as we have urged it to do, it will have to take into account this new element, automation, that is making planning even more difficult than it was in past years.

Automation is designed to displace labour, but at the same time it means a vast increase is possible in our total production. It also means that because of that vast increase in total production more people are required to administer, tabulate and distribute the products of our industrial system even though fewer people are required to produce the things which our industrial system is capable of producing. Because of automation, and not just because of the government's policy, the number of people employed in producing commodities in Canada is decreasing. This is something that was revealed by a study of technological changes and their impact on employment which was undertaken by the Department of Labour economic and research branch.

This study also revealed that we cannot really expect that those people displaced from work in production will be employed in what has been called the white collar field, because as a result of office mechanization and automation the rate of increase in employment in Canadian administrative and clerical work is already decreasing, so that it is by no means certain that automation produces new jobs.

We in this corner of the house believe something can be done about automation. One of the solutions frequently advanced is that of retraining. The government is contributing to the cost of constructing and equipping

vocational and technical institutions in the provinces, and 6,872 men were enrolled in these institutions across the country on a full time basis between April 1, 1960, and March 31, 1961. However these 6,000 men represent a rather insignificant fraction of the total number of people who have been displaced by automation and who are unable to find employment.

The annual report of the Department of Labour for the fiscal year ended March 31, 1961, unfortunately did not reveal how many of these people who had undertaken this retraining had actually obtained employment after they had completed their training in these institutions. We believe that in order to get to the essence of this thing we have to come up with some new ideas and new solutions.

Mr. McGee: Before the hon. member leaves that point may I ask him a question?

Mr. Berger: Go ahead.

Mr. McGee: Is the hon. member aware that in the last session of parliament his party denounced this technical and vocational training school building program as an extravagant waste of the taxpayers' money?

Mr. Berger: Well, Mr. Chairman, I of course hesitate to accept the interpretation that the hon. member has placed upon remarks that may have fallen from the lips of those who represented the C.C.F. party in the last House of Commons. At any rate, I was about to turn to what I consider to be far more fundamental solutions of this problem than those the government has so far advanced, and I suggest the first of these solutions ought to be a reduction in the hours of work.

Technology has reduced the unit cost of production; and that reduction which technology has given us is something that is far greater than any increase in unit cost of production that might occur as a result of reducing the hours of work. A reduction in the hours of work would in turn increase the number of jobs available.

Other steps could be taken to mitigate the problem of the displacement of labour by automation. We ought to try to keep our young people longer at school. We in this party believe that vocational, technical and academic training at all stages and all ages should be available, regardless of ability to pay, to every man, woman and child in the country. This means not only the abolition of tuition fees but it also means living-in grants and other means of assisting young people to obtain the very best education that they can.

We also believe we should try to work out a program for earlier retirement. Today many men and women are tied to jobs because they realize that leaving them may involve the loss of accumulated pension benefits, sickness and accident benefits, health insurance benefits and the like. We in this party have for some time advocated a system of portable pensions, a national health insurance plan and adequate old age pensions, all these things being measures that would enable people to look forward to retirement with a sense of security. They would enable people to retire earlier than they otherwise would, and would enable them to enjoy the prospects which retirement ought to bring to every citizen. There are no simple solutions to automation but the government should work on the solutions that we in this corner have advanced.

Let me remind the government that if it were able to get the economy moving again —as it claims it has done even though to the rest of us that does not appear to be the case—if there were an annual rate of economic growth of 5 or 6 per cent, that in itself would not be adequate to provide jobs for those who will continue to be displaced by automation as a result of the increase in the rate of technological progress. Therefore the government ought to look at the revolutionary impact which automation already is having on the country. The shorter working week is one suggestion, and the proposal to shorten the working lifetime of men and women is one that the government may consider to be radical, or even revolutionary. But although such proposals might alter existing social patterns, they would not create social problems. They would provide social opportunities for all our citizens, opportunities which have been enjoyed up to this point by only a fraction of our people.

We have heard in previous speeches that some hon. members sitting in other parts of the house regard social and economic planning as an imposition of some kind of regimentation upon our people. This, of course, is complete nonsense. As far as we are concerned, social and economic planning is a means of affording to every citizen fundamental human rights which I suggest no other party in this house is prepared to recognize, the right to health services and medical care, the right to a job, the right to education, the right to security in retirement, the right to a decent and adequate old age pension. These are fundamental social and economic rights which for too long have been neglected by this government and its predecessor.

This government has assumed responsibility for the future of our economy. It has assumed responsibility for bringing about full employment, but it is unwilling to take the steps that are necessary to discharge the responsibility it has assumed. Nothing, in the view

of those of us who occupy this corner of the house, is more likely to bring democratic institutions into disrepute than a government which is unwilling to take the steps that we ought to be able to take and that we had better take before long in this country to bring about prosperity, to get our economy moving again and to put our people back to work.

Motion agreed to.

Resolution reported and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

The house in committee of ways and means, Mr. Chown in the chair.

Mr. Nowlan moved:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31st, 1963, the sum of $231,819,569.82 be granted out of the consolidated revenue fund of Canada, as set forth in the resolution concurred in this day in the committee of supply.

Motion agreed to.

Resolution reported and concurred in.

Mr. Nowlan thereupon moved for leave to introduce Bill No. C-68, for granting to Her Majesty certain sums of money for the public service of the financial year ending March 31, 1963.

Motion agreed to, bill read the first and second times and the house went into committee thereon, Mr. Chown in the chair.

Clauses 1 to 5 inclusive agreed to.

Schedules A and B agreed to.

On schedule C—

Mr. Knowles: Mr. Chairman, before schedule C and the bill itself finally carry, I wonder if I may put one question to the Minister of Finance. My question is based on the fact that a good deal of this money we are now voting includes funds for the payment of civil service salaries.

My question is this. In view of the statement made by the minister the other day that some relaxation in one of the emergency programs has begun, is there hope that at an early date the government might have something to say about undoing the wage freeze with respect to civil servants?

Mr. Nowlan: Mr. Chairman, the hon. member knows as well as I that hope springs eternal in the human breast. I have had discussions with the presidents of the various civil service associations and I will be carrying on further discussions with them in the immediate future. I am hopeful that steps can be taken in the not distant future to deal with this matter, at least in part.

Schedule C agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

FARM CREDIT ACT

PROVISION FOR INCREASE IN LENDING CAPACITY

The house resumed, from Thursday, October 18, consideration in committee of the following resolution—Mr. Hamilton—Mr. Chown in the chair:

That it is expedient to introduce a measure to amend the Farm Credit Act to increase the capital of the Farm Credit Corporation from $12 million to $16 million so as to increase the lending capacity of the corporation from $300 million to $400 million; and to provide further for certain changes in connection with the administration of the act.

Mr. Whelan: Mr. Chairman, I will only take a short period of time to finish what I was saying last evening. First of all, our investment in farm equipment on a diversified farm in eastern Canada, particularly in southwestern Ontario, is as high as it is anywhere in Canada. Our agricultural production in this part of Canada is mostly in crops that are also imported from the United States and other countries.

Most of these are in short supply in Canada. The producers in this area have made a heavy investment compared with their net return. The potential of the region has scarcely been scratched, and many acres of land have not yet been properly drained. There is room for greatly increased greenhouse accommodation, and a large supply of those vegetables which are presently imported from the United States could easily have been produced locally, thus keeping our money at home. By increasing production of these crops in Canada we could also absorb many who are now unemployed. Conditions exist naturally for the development of this industry. It is there; it has been given to us. All we have to do is to develop the possibilities presently there with the aid of modern, scientific ways of canning and processing. If this were done, employment could be provided the year around for a great many people. Many people feel that the amounts now made available through the Farm Credit Act are insufficient to provide for proper expansion.

The crops which we grow and which are in short supply, generally include not only

the kinds of vegetables which appear on the table but include also soybeans, sugar beets and corn. I believe we can grow all the corn Canada needs, though we were not helped, I must say, by the action of the Minister of Finance the other day in taking the surtax off corn just as our own crop is being harvested. That will not help our corn producers who find they are placed in a position of competing with the United States farmers' surplus crop.

Administration of the United States farm administration loan provisions contains a number of good points, and we in our county associations recommended that several should be included in the practices of the Canadian Farm Credit Corporation. We hoped that more of them would have been included in the amendments to this act. In particular we had hoped that an advisory council would be set up—a local advisory council composed of people familiar with the problems of their own areas. I am not suggesting that those who now are responsible for the administration of these loans are not efficient. I know a number of them personally and they are doing a good job in carrying out the provisions of the act in our area.

I should also like to say that we in Canada have the prospect of developing our vegetable industry along lines which would make it possible to sell an important part of our products abroad. There is a market for these vegetables in Europe. Just this week I met the manager of a processing plant who had been in Europe selling his produce there, and he said the operation had a tremendous future.

We had a storm on June 18. I do not mean the elections; it was a hailstorm and windstorm which destroyed a lot of crops in the area of which I am speaking. I asked the government if it would agree to take the surplus from the canning interests because what the farmers planted in beans would not be harvested until October. Officials of the civil service told me at that time there was no legislation which made provisions for this to be done. I think there should be. However, action along these lines was taken by the canners. They took these beans, and this is what the canning company to which I have referred is selling in Germany at the present time.

Some hon. members who come from western Canada might think I have no knowledge of the agricultural problems in that region. However, I may say I have worked in western Canada as a farm hand and know the problems which confront the western farmer. I agree with a good deal of the legislation which has been passed to assist western farmers.

I was interested to hear the Minister of Agriculture tell western farmers that their ship had come in. Well, I live along the Detroit river which is part of the St. Lawrence waterway, and I see ships from just about every nation in the world go by as they ply that waterway. But we in southwestern Ontario are still waiting for our ship to come in.

I wonder whether either the Minister of Agriculture or the representatives of the New Democratic party would condone the practice of part time farming. I wonder, particularly, whether members of the N.D.P. would condone, say, the actions of part time tradesmen going out and moonlighting in competition with workers affiliated with the trades and labour council. I have several brothers who belong to labour unions and they feel strongly that they should not have to enter upon any other occupation in order to earn a decent living in this country, and I do not think farmers should have to take a job in a factory or anywhere else simply because our agricultural economy is not stable enough to ensure them a decent living off their farms. I think our agricultural system has possibilities for development to the point at which farmers do not have to leave their farms to become, in many cases, a surplus on the labour market. Everything which this parliament can do to keep agriculture healthy should be done, if only because of the large percentage of our labour force employed either directly or indirectly in agriculture. Our agricultural products are of high quality, and the world is in need of these products. It is up to us to sell them on the world market. Our marketing boards and processing industry are working now to expand the sale of our products abroad. Loans under this act to those who have already made a heavy investment in order to help them and others to make a decent living are one way of helping to reach this object, and I hope those who will be responsible for the administration of this measure as amended will make sure that the legislation is implemented for the benefit of agriculture throughout Canada.

(Translation):

Mr. Bernier: Mr. Chairman, it is indeed a pleasure for me to rise in this house to expound the Social Credit views on the resolution now before us.

Mr. Chairman, may I congratulate you for your appointment, as well as Mr. Speaker for being raised to such a significant post, which calls for so much patience. I am happy to commend him for the objectivity with which he guides our discussions.

Mr. Chairman, at this moment I also take pleasure in mentioning that the riding of Richmond-Wolfe, which I have the privilege of representing in this house, contains several essentially rural parishes, and that a very considerable number of the farms there are considered by the Farm Credit Corporation as marginal, because the annual income of these farmers is inadequate. Mr. Chairman, they do have inadequate income because they are forced to sell their produce at a ridiculously low price.

I want now to bring to the attention of the house a few statistics with regard to the prices of dairy products in eastern Canada in the last few years. In 1952, a hundredweight of milk was selling for $3.25 to secondary industries; in 1962, the hundredweight was sold $2.70 to the same industries, which means a decrease of 55 cents per 100 pounds.

Now, let us look at the price of balanced feed for the milk cow: In 1952, the price was $2.65 a hundredweight; in 1962, it is $3.70 a hundredweight, or an increase of $1.05 a hundredweight.

To remedy that tragic situation, several agricultural advisers recommended the enlargement of farms so as to produce more, thinking that the situation could be settled in this way.

The farmer had then to ask the corporation for an increase in the amount of the loans in view of those improvements. He had to spend terrific sums to buy farm implements, the prices of which have rapidly increased in the last few years. In order to pay for those purchases, the farmer often had to borrow from the banks or from finance companies at an interest rate which he could not afford.

Mr. Chairman, the farmers in my riding, like those across Canada, are not asking for charity. They are industrious and they strive seriously to succeed but, in order to do so, they look to their representatives in parliament for specific legislation in the field of agriculture and a marked improvement in the Farm Credit Act.

Mr. Chairman, our farmers have been too long the victims of an administration which has failed to perform its duty as far as agriculture is concerned. Perhaps our administrators were not aware of the facts, like the young lady in this story told by a farmer who used to rent cottages during the summer. The following conversation took place one morning, just a few minutes before the tourists left:

"What a pretty little cow you have over there," observed the young lady. "But how come it has no horns?" she asked the farm owner.

"Well," the farmer replied undisturbed, "there are many reasons why a young cow like that has no horns. First, certain breeds are slow to grow horns; their horns only show up at a rather advanced stage in life. For others, the horns become a danger and they are cut off at some time or other in their life. Finally, we now have breeds without any horns at all. But in this case, there is a slight difference. You see, that little cow has no horns simply because it is a young horse."

Mr. Chairman, if the members of the old-line parties had been aware of the situation, maybe the Farm Credit Act would have been amended, not only to increase the capital at the disposal of its administrators but also to decrease its rate of interest.

The increase of the capital of the Farm Credit Corporation is certainly a slight improvement that will help many Canadian farmers who have to be satisfied with half measures because the present economic system, through the consequences of its implementation, is stripping our farmers of their possessions.

Mr. Chairman, in my constituency there are farms on which three generations of farmers lived without going into debt, while giving to their families security and well-being. Today these small farms are classified as uneconomic. I have to remind you that there are thousands of such farms in the province of Quebec. There are exactly 64,442 farms from one to 69 acres, 53,637 farms from 70 to 179 acres and 4,538 farms of 180 acres and over.

Today, the owners of these farms must resort to loans from the Farm Credit Corporation, with the result that all those farmers have become tenants. If strong measures are not taken soon, they will become proletarians, something to which we, of the Social Credit, object strongly.

We are for the survival of the family farm. It has been the basis not only of our economy but also of our society, since the arrival in Canada of our courageous settlers. However, the family farm cannot survive under the present economic conditions.

Will you allow me, Mr. Chairman, to give you some statistics so that we might see if that prosperity about which the hon. members opposite have talked is a fact. Since I have been in this house, I have noticed that our friends in the old parties have a way all their own of making vague statements. They use percentages that cover only one or some aspects of the problem.

These statistics, Mr. Chairman, prove that the eastern farmers' net income decreased by $7,749,000 between 1957 and 1959. In fact, of all the eastern provinces, that is to say Nova Scotia, New Brunswick, Quebec, Ontario and Prince Edward Island, it is only in Prince Edward Island that a net increase of $2,271,000 has been recorded. In all the other provinces the farmers' income has been subject to very substantial decreases.

In the province of Quebec, the farmers' income for the year 1962 compared to 1952—for a single year—has increased as far as gross income is concerned by about $21,567,000; but the operating costs having increased by $82,629,000, the net income of the farmers in the province of Quebec has decreased by $61,062,000.

Those figures speak for themselves, Mr. Chairman, but it is even more revealing to note on the spot the hard time the farmers have making a living and providing for their families.

Our friends of the old parties may make splendid speeches and try to have us believe that our Canadian farmers are successful, but they will fail in their attempt to convince us.

Mr. Chairman, has any consideration been given to how much a small farmer has to pay for a $15,000 loan for a 29-year term? It costs him exactly $991.50 a year or $85.95 a month. How could a small farmer afford such payments when he gets less and less for his products?

I would ask hon. members opposite to give thorough consideration to the suggestions made from this corner of the house.

The financing of Farm Credit Corporation loans by the Bank of Canada is extremely important. Such a scheme would enable the corporation to make interest-free loans to the farmers who would only have to pay for administration costs.

The improvements to the Farm Credit Act which are put forward by the Social Credit party would bring prosperity to the Canadian farmers. It is possible to do so and we will prove it after the next election, which will bring the Social Credit party to power in Canada.

Mr. Belzile: Mr. Chairman, in my opening remarks, I would like to imitate the member for Moose Jaw-Lake Centre (Mr. Pascoe) and to congratulate the Minister of Agriculture (Mr. Hamilton) for his obvious dedication to the agricultural class in submitting this bill to the house at the very beginning of the session. This step will undoubtedly put at the disposal of our farmers the assistance they need for their development.

With the leave of the house, I would like to point out a fact which is not directly relevant to the legislation before us, but which, however, is close to the matter the farmers are most particularly interested in.

I would like to mention in all humility that last fall, in November, I had the honour of accompanying the Minister of Agriculture to Europe, more particularly to Rome, where we attended the eleventh international conference on food and agriculture known under the symbol F.A.O. (Food and Agriculture Organization) and which has its headquarters in the holy city.

Mr. Chairman, for a period of three weeks I have been in a position to observe the generosity of the Minister of Agriculture, his devotion to the farm people, his loyalty and his competence in the performance of his duties within the Canadian government. We know that we have accomplished something quite significant for the Canadian farmers. I just happen to remember what the hon. member for Villeneuve (Mr. Caouette) was telling us this morning when he said that we should look after ourselves first before thinking about underdeveloped countries and all those hungry people. Their number is appalling, because according to reliable statistics, 70 per cent of the world's population is undernourished, while a few countries have foodstuffs in excess. Some countries are deprived of the required facilities to develop in order to feed their people, and they are also unable to provide an appropriate education.

Now to revert to the question under consideration, I would like to put on the official record the success experienced by that organization called food bank, which was initiated by—

Mr. Drouin: I rise on a point of order, Mr. Chairman. We were very pleased to hear that the hon. member went to Europe as well as the Minister of Agriculture, but it seems to me that five minutes to discuss that matter is enough. He has been transgressing the rules since the beginning of his remarks.

The Deputy Chairman: According to section 59, paragraph 2, I believe the remarks of the

hon. member for Argenteuil-Deux-Montagnes (Mr. Drouin) are excellent and appropriate, but on the other hand, I am under the impression that the observations of the hon. member for Matapedia-Matane (Mr. Belzile) are made precisely with a view to coming to the aim of the resolution. I am sure that the hon. member will almost immediately revert to the subject under discussion.

Mr. Ricard: The Liberals did talk to us about Cap de la Madeleine.

An hon. Member: Nothing has been said about St. Hyacinthe.

Mr. Belzile: Thank you, Mr. Chairman. Before going any further, I would ask my hon. friend, the member for Argenteuil-Deux-Montagnes, to show a little more patience. I will deal more directly with the matter under consideration in a few minutes. I was saying that this bill to establish a food bank will be called to play two very important parts—

The Deputy Chairman: Order. I am sorry to interrupt the hon. member. I think he should keep as much as possible to the matter under discussion. This is not the time to make a complete analysis of the government's agricultural policy. He should discuss instead the advisability of increasing the funds to be put at the disposal of the federal Farm Credit Corporation. I urge him respectfully to come back to the subject of the resolution.

Mr. Belzile: Thank you, Mr. Chairman. I will try to prove to you that I can be obedient.

I should like to pass a few remarks about some members who have gone far afield and more than once, but, with all due respect, Mr. Chairman, I mention it for those who will speak after me.

Therefore, I shall confine my remarks to the resolution and I shall be brief. I do not intend to pat anybody on the back nor to criticize anyone. But let us say that I want to establish certain facts. I am entitled to it and it is my duty as a representative of the people and a member of the farming community. Of course, many members of the house know already that I am a farmer.

An hon. Member: It shows.

Mr. Belzile: I have been a farmer, a landowner and a professional in every sense of the word since 1932, at the time of a crisis brought about by the Liberal party before getting out of office in 1930.

Mr. Drouin: I rise on a point of order, Mr. Chairman. Everyone knows that the Liberal party got out of office in 1930 and sincerely we are sorry for that.

An hon. Member: We did not know they were responsible for the depression.

The Deputy Chairman: The hon. member should not be so touchy about the remarks that other members of the house may make concerning a party. I feel the hon. member for Matapedia-Matane has the right to express his opinions in the house.

Mr. Belzile: Thank you, Mr. Chairman. As I was saying, I started farming on my own in 1932 and it is on my farm that I raised 14 children—

An hon. Member: That is better than having small dogs.

Mr. Belzile: —that is where, thanks to the work of my wife, my children and myself, we succeeded in feeding, clothing and raising fourteen children, eleven girls and three boys. Of course, Mr. Chairman, I do not claim to know as much about agriculture as the hon. member for Bonaventure (Mr. Bechard) and the hon. member for Argenteuil-Deux-Montagnes (Mr. Drouin), but I am still practical enough and I have enough experience in agriculture and in those fields to express an opinion. My experience is based not only on great theories but on practical experience.

If you will allow me, I should like to quote without any malice—because I am not a bad fellow—from a speech delivered in the house on October 4, by the hon. member for Argenteuil-Deux-Montagnes. It is recorded on page 196 of *Hansard*:

> Mr. Speaker, mine is a constituency which has deeply suffered from the government's unconcern since 1957 as regards agricultural policy. Most farmers back home are dairy producers, and they are facing an unprecedented crisis.

Mr. Chairman, my only reason for quoting that extract from my hon. friend's speech is to remind him, in case he does not know it yet, that in the province of Quebec, the price of milk is not under the control of the federal government, but of the dairy industry board, a provincial organization.

Having said that, Mr. Chairman, I would like to come back—

Mr. Drouin: May I put a question to the hon. member?

Mr. Belzile: Yes.

Some hon. Members: No.

Mr. Belzile: Mr. Chairman, let us say that the hon. member has been given enough opportunities to interrupt me.

Naturally, Mr. Chairman, I can see that my hon. friend might not be pleased with this, because I must admit in all humility that I may not have enough competence to deal with the matter under study, for I am not a notary, or a lawyer. I am just a farmer, I can see that very well.

Mr. Chairman, I would like to quote without any malice—I am a good chap, you know—extracts from a speech delivered by my neighbour, the member for Bonaventure (Mr. Bechard), in the course of the debate on the address in reply to the speech from the throne.

As shown at page 408 of *Hansard*, he stated:

> According to experts, we have perhaps in the Gaspe peninsula the best climate in Canada for general farming.

Mr. Chairman, I like to think that the hon. member for Bonaventure has called forth the opinion of experts to declare here in the house that we have in the Gaspe peninsula the best climate in Canada. Like the member for Bonaventure, I am from the Gaspe peninsula and it is precisely for that reason that I am sure that he did not express his own opinion, because if we ask experts to tell us the real value of an acre of land, the last technician in agriculture will be able to do so.

First he will take into consideration the natural value of the soil, that is whether it is a flat or rolling land, a stony or sandy soil, an alluvial tract of land or a clay soil, etc. He will also consider its potassium, phosphoric acid and nitrogen contents. After that he will be in a position to say: This land is worth $100 an acre and such another worth $50 an acre.

On the other hand, if I ask the same expert to tell me the difference between the same value based on the climate of the Gaspe peninsula and that based on the climate in the St. Hyacinthe region, or the Montreal region or the Niagara valley, I think that the man is not yet born who could give me sound figures in this respect.

Mr. Chairman, when one thinks that by the end of April or the beginning of May farmers are in their fields in the St. Hyacinthe or Montreal regions, sowing their grain, and that their cattle are out on pasture, while we, in the Gaspe peninsula, are still feeding our cows and walking in the snow; when one considers that the grazing season in the Gaspe peninsula only lasts a month or two, that during two short months only—with such periods being sometimes shortened at both ends—our cattle can actually find grazing grounds, one can certainly not make any comparison between the climate of the Gaspe peninsula and that of those districts. Furthermore, when one considers that in the Montreal and other areas I mentioned earlier cattle are turned out to pasture in May, June, July, August, September, October, and in some years until early November, one cannot say that the climate of the Gaspe peninsula is favourable.

Mr. Chairman, if I set the record straight, it was so that this house may understand that as far as climate is concerned the Gaspe farmers are entirely destitute compared with the farmers in the western parts of the province or those in other sections of the country.

Now, Mr. Chairman, to come back to the speech of the hon. member for Bonaventure, he said:

> A man is a farmer or a lumberjack. He cannot and must not be both at the same time, if he wants to succeed in one field or the other.

This time, Mr. Chairman, I agree with my hon. friend. And this makes me think of the old saying my grandmother used to quote, and which says: "If you run after two hares at once, you have a good chance to catch neither." That is true, one cannot be at the same time a farmer and a lumberjack. If a survey was made among the farmers who succeeded in life, 95 or even 99 per cent would tell us that they lived on their farms, which they operated for 12 months of the year.

Mr. Chairman, the hon. member for Bonaventure made a most interesting speech, because I am always coming back to it, and I say so without any malice.

A little further he said:

> We are making the same mistake again in the field of agriculture, we are putting the cart before the horse. Allow me to explain. The Canadian government is much more favourable to the granting of loans when they are used for the purchase of machinery and equipment than when they are used to improve the land.

The hon. member for Nicolet-Yamaska (Mr. Vincent) replied yesterday to those statements of the hon. member for Bonaventure.

Mr. Chairman, the hon. member for Bonaventure stated moreover:

> We, from the Gaspe peninsula, have been too long forgotten. This tragedy has been with us ever since 1534, when Cartier took possession of our country by setting up a cross in Gaspe. Mr. Speaker, are you not of the opinion that this has been going on long enough? Are you not of the opinion that we have had our share of neglect?

A little further on he said:

> The Gaspe peninsula has always been unrecognized, forgotten. It is time to put an end to such a situation. The Gaspe peninsula people, the farmers, the fishermen and the workers—

Mr. Chairman, I want to point out to the hon. member for Bonaventure that if the Gaspe peninsula has always been forgotten, it has been forgotten a longer time by the party to which he belongs, than by the Conservative party. Indeed, Mr. Chairman, since 1896, in a period of 66 years, the Liberals ruled this country for 46 years, and the Conservatives for 20.

An hon. Member: The people found out the Liberals were not so bad.

Mr. Belzile: This means that if the Gaspe people have been forgotten, if the Gaspe peninsula has always been the unknown country, it has been forgotten for 46 years by the Liberals and for 20 years by the Conservatives. I believe this is a venial sin, compared to a mortal sin.

And now, Mr. Chairman, to come back to the measure before us, the one providing for increased funds to the Farm Credit Corporation, let us say that money is the sinews of war, that it is also the sinews—

An hon. Member: Of Social Credit.

Mr. Belzile: —It is the sinews of the farming class, and there are problems, in this regard, not only on the provincial level, but also on the local level. In the consideration of this bill, both provincial and local levels must be taken into account.

Thus, in the practical administration of our legislation, we will have to act according to the needs of each of those areas, while taking into account the technical, climatic and economical conditions, on the local level, as well as the sale of our products, the cost price of the professional utilities, their transport rates, and also the transport rates of our farming products to the large markets.

Before concluding my remarks, Mr. Chairman, I would like to call the attention of the minister to a provision of the Farm Credit Act. I refer more particularly to loans granted under Part III of the Farm Credit Act. As shown in the *Canada Gazettte* dated January 14, 1960, Part III of the Act provides that:

> Every part III loan shall, whenever practicable, be secured in its entirety by farm land.

That is a kind of loan which we also call a supervised loan. Supervised loans, or loans under Part III apply to young farmers between 21 and 45 years of age.

Therefore, the problem faced by our young farmers is a dual one.

In the first place when a young farmer owns a piece of land large enough to turn it into a profitable farm, what he lacks is herds, buildings and equipment.

In the other case, the young farmer does not own enough land to operate a farm economically.

I am in full agreement with all those members who just told us that an impressive percentage of our farms do not produce a large enough income to support a family, but if we recognize the ill, we must apply the remedy.

If a 50- or 60-acre farm cannot today support the family of its operator as it did 20 years ago, it is due to the fact that there has been a rapid change in economic trends and that the agricultural class has also felt the impact of automation. It is useless to close one's eyes to such a situation.

Mr. Chairman, we recognize the fact that small farms are not economical, therefore it is useless to give assistance to someone who will be unable by himself, despite the best of intentions, to make a success of farming. We must therefore apply the only real remedy.

The solution I advocate is to expand the farm of the young and willing farmer and, through the Farm Credit Corporation, to provide him with the moneys he needs to establish a successful farming operation. We shall see then, Mr. Chairman, prosperous farmers, and this will be more encouraging than seeing two farmers operating with difficulty two small farms.

Mr. Chairman, I shall ask the Minister of Agriculture to use his influence with the

Farm Credit Corporation in order that its inspectors not only set up an office in our area made up of three ridings, but let them take the trouble to visit the farm and see for themselves what is the value of the soil and the ability of the farmer, as well as the conditions under which his family lives, in order to help him financially and in a logical and practical way. This way, the future of a farmer would not be decided by officials in an office 300 miles distant; it would be decided on the spot whether the farmer should be assisted or abandoned to his fate.

Now, Mr. Chairman, I wish to thank the members for their kind attention.

Mr. Dumont: Mr. Chairman, does the member for Matapedia-Matane permit a question? Does he favour the construction of a grain elevator at Rimouski, which would serve not only the farmers in the Matapedia valley but also those living as far as St. Leon le Grand? Such an undertaking would be a good thing.

The Chairman: I should like to point out to the hon. member for Bellechasse that as the hon. member for Matapedia-Matane has not used up all his time—in fact he has one minute left—he has the right, under the standing orders, to reply to the member for Bellechasse if he wishes to.

Mr. Belzile: I am pleased to say to the hon. member for Bellechasse that I am all in favour of the project he has just mentioned.

For his information, I might add, that in my capacity as a supporter of the government, I have been interceding for three years with the proper authorities to obtain exactly the same thing as he is asking as a member of the opposition.

Mr. Drouin: Mr. Chairman, may I associate myself with those who, before me, have taken the floor since the house has been sitting in committee to congratulate you on your appointment to the chairmanship. I fully support the kind words that have been said about you, as well as about the vice-chairman who is now occupying your chair and to whom I offer my best wishes.

I should like also to congratulate the hon. member for Matapedia-Matane who has raised a fine family of 14 children during the prosperous 22 years of Liberal administration. Surely he would not have succeeded so well under a Conservative austerity program.

[Mr. Belzile.]

Before going on to the bill now before us, may I say, for the information of the hon. member for Matapedia-Matane, that I was aware on October 4 last of the existence of the dairy industry board.

I only deplored, at the time, a state of affairs which is now to the advantage of large dairies, and detrimental to our milk producers. I am convinced that if the hon. member is really what he described himself to be, a moment ago, he will also deplore that situation. So, I take this opportunity to wish the hon. member for Matapedia-Matane a little more influence in his party, in order that it will not take three years to carry out the fine projects recommended by the Minister of Agriculture (Mr. Hamilton).

The official opposition is favourable to increasing the capital of the Farm Credit Corporation from $12 to $16 million so as to increase the lending capacity of the corporation from $300 to $400 million and make it possible for the corporation to be more generous with regard to loan applications submitted to it. We hope that eastern farmers will have their fair share of that increase in the corporation's funds.

Unfortunately, our eastern farmers, and more particularly those of the province of Quebec, have not sufficiently benefited from farm credit loans in the last few years.

Indeed, one only has to look at the last financial report of the Farm Credit Corporation to realize that all the farmers are not equally taking advantage of the facilities under this act.

When I refer to the last report of the Farm Credit Corporation for the fiscal year ending on March 31, 1962, I see, on page 20 of this publication, a table giving the following figures.

During the fiscal year ending March 31, 1962, the farmers from the province of Saskatchewan were allowed 1,936 loans, while during the same period, only 109 loans were approved for the farmers in the province of Quebec. And, still more significant perhaps, if we compare this table with the one that is to be found on page 22, we see that the number of loans actually handed out in Saskatchewan during this period amounted to 1,890, hardly 2 per cent less than the number which had been approved. On the other hand, in the province of Quebec only 66 loans were

actually granted, over 40 per cent less than the number of approvals.

With the consent of the house, I should like, at this stage, to put on record these two tables so that hon. members be spared listening to the tedious reading of those figures. Do I have the permission to put these two tables into *Hansard*?

The Chairman: I must tell the hon. member that he needs the unanimous consent of the house in order to have these tables printed into *Hansard*. Has the hon. member for Argenteuil-Deux-Montagnes permission from the house to file these two tables?

Some hon. Members: Yes.

The Chairman: Agreed.

[*Editor's note: The tables referred to above are as follows:*]

Table VI

FARM CREDIT CORPORATION

Distribution by provinces of farm loans approved during the year ending March 31, 1962

	Number	Amount
		$
British Columbia	244	4,051,500
Alberta	1,518	18,447,600
Saskatchewan	1,936	19,812,350
Manitoba	429	5,024,000
Ontario	1,383	17,104,000
Quebec	109	1,786,100
New Brunswick	111	1,109,700
Nova Scotia	41	499,900
Prince Edward Island ...	113	733,200
Newfoundland	1	6,100
	5,885	68,574,850

Table VIII

FARM CREDIT CORPORATION

Table showing, by provinces, the amount of farm loans granted during the year ending March 31, 1962

Province	Part II		Part III		Total	
	Number	Amount	Number	Amount	Number	Amount
		$		$		$
British Columbia	222	3,251,911.12	23	555,724.16	245	3,807,635.28
Alberta	1,416	16,228,245.74	56	1,199,066.33	1,472	17,427,312.07
Saskatchewan	1,890	18,694,237.76	61	1,008,888.66	1,951	19,703,126.42
Manitoba	412	4,648,755.25	16	301,481.38	428	4,950,236.63
Ontario	1,519	18,066,625.41	72	1,319,057.59	1,591	19,385,683.00
Quebec	66	827,683.64	34	740,573.33	100	1,568,256.97
New Brunswick	81	775,839.72	5	75,645.03	86	851,484.75
Nova Scotia	31	377,673.90	2	34,927.38	33	412,601.28
Prince Edward Island .	110	658,477.63	10	115,961.22	120	774,438.85
Newfoundland	1	6,100.00	—	—	1	6,100.00
	5,748	63,535,550.17	279	5,351,325.08	6,027	68,886,875.25

Mr. Drouin: Mr. Chairman, must we draw the conclusion, from these figures, that the act itself is bad? I do not believe so. On the contrary, the legislation is good and farm credit has been mostly useful to our farmers since 1929. However, the facts are there. This legislation is helping out the western farmers while the eastern farmers are not getting any benefit from it.

I believe that this unfair situation is due to two main reasons: first, the guarantees required by the corporation are too heavy for most of the applicants and, second, the Farm Credit Act has not been given enough publicity to make it known among the farmers.

As I said when I took part in the discussion on the address in reply to the speech from the throne, there is no doubt that the regulations governing the administration of this act are of such a nature that they favour large operators to the detriment of small farmers.

The requirements concerning the guarantees that the borrowers must offer are such that those who need above all a government loan to improve their farming unit or even to save it from bankruptcy cannot financially qualify to obtain this loan.

It is inconceivable that nearly 50 per cent of the applications are rejected on the ground that the applicants fail to have, according to

the officials of Farm Credit Corporation, the required guarantees to repay the loan which they would otherwise be granted.

As a result, practically only those who operate larger farms, with modern and appropriate equipment, may qualify for loans from the corporation.

Last year, the total amount a farmer could borrow was increased to $27,500, no consideration being given to the smaller farmer who might want a loan from $5,000 to $6,000 to free himself of those loan companies which ask 18, 20 or even 24 per cent interest.

Those excessive limitations are in no way justified, because the farmer is an experienced businessman who meets his obligations in an exemplary way.

Indeed, as the hon. member for Assiniboia pointed out, over 99 per cent of those who were granted loans under the Farm Credit Act are meeting their obligations.

It is obvious, Mr. Chairman, that the Minister of Agriculture does not know the problems of our farmers. But the figures I just quoted should be food for thought for him and incite him to adjust his policy so as to eliminate the blatant discrimination against our eastern farmers.

The second reason for which our farmers do not benefit from this act as they should, is the fact that the advantages offered by the Farm Credit Corporation did not receive enough publicity.

Our farmers do not know that legislation and I received proof thereof, on several occasions in the last two years I practised my profession, and in a still more striking manner since I became a member of parliament for my riding.

I have here, in many hand, a well made publicity folder showing up the advantage of that legislation and the way it works. The first edition of that publication goes back to June 1961. Yet, no way has as yet been found to distribute it among farmers for whom it is intended.

During the last session, a copy of that publication seems to have been handed to each hon. member, and, at this time, it is only sent to those who are asking for a loan. But the farmer should have this pamphlet in hand before asking for a loan, as it would acquaint him with the very existence of this act, and inform him that he might qualify for a loan and, lastly, it would indicate to him how to obtain it.

[Mr. Drouin.]

That pamphlet, should—and I am stressing the point to the Minister of Agriculture—be sent to all rural post offices in this country to be added to the mail of every farmer, so as to make all needed information available to him.

The minister had his photograph printed on the first page of that folder. Surely it was not for the benefit of his colleagues, as we all have the opportunity of seeing him in person, of looking at the original in this house, from time to time. But the eastern farmers never had the pleasure of seeing him in person; they would be happy to see at least his picture, from time to time.

During the fiscal year 1961-62, the corporation received five official applications for loans from farmers in my riding of Argenteuil-Deux-Montagnes. Three were accepted, two rejected.

These figures do not take into account, however, the applications that were made through the former Conservative member and never reached the corporation.

In that connection, I learned with satisfaction last week that the inspector who fell in with the former member's petty political manoeuvres which I condemned in the house last October 4, has been replaced in our district. I thank those who took that very wise decision and I trust that the new inspector will show himself equal to the task entrusted to him and will fill his post conscientiously.

I can assure you, Mr. Chairman, that if our farmers were aware of the advantages of the federal farm loans, the corporation would receive many more requests from the province of Quebec, all the more so since the government of that province passed at its last session a law providing for the refund of half the interest charged by the corporation. That law passed by Mr. Lesage's government will undoubtedly make federal loans much more attractive.

If that advertising pamphlet issued by the Farm Credit Corporation were distributed to our farmers, we would see a considerable increase in the number of applications for loans.

I would not like it if my representations on behalf of the eastern farmers were taken to be directed against the western farmer.

I have said in a previous speech, and I repeat it, I am not jealous of the advantages that the western farmers enjoy. On the contrary, I welcome sincerely any measure that ensures their prosperity, because their prosperity benefits indirectly the whole population of the country.

On account of this increase in the funds made available to the Farm Credit Corporation, we have the opportunity to bring about, through appropriate advertising, a considerable increase in the number of applications for loans from the east.

Our farmers are not asking for special treatment; they merely want to be treated like first class citizens of the confederation.

They are entitled to a fair share of the national budget, and that is what I claim for them.

In the last few years, agriculture has certainly lost some of its relative importance in eastern Canada as a result of intensive industrial development. Nevertheless, it still remains the cornerstone of our economy and deserves enough consideration by the government to have a minister of agriculture appointed for eastern Canada.

(Text):

Mr. Mather: The constituency which I represent has within its boundaries many farms and many types of farming operation. In addition to fruit farms there are vegetable farms, poultry farms and dairy farms. With regard to the latter, and on their behalf, I was glad yesterday that the government came out to say a word of praise for the cows of Canada. It was in regard to their suggested implication with the strontium fallout situation. The Minister of National Health and Welfare said that while cows and milk had been mentioned in connection with strontium tests, this should not be regarded as evidence that milk was strontium prone. It just happens to be one of the liquids chosen by the experts when they are investigating strontium fallout. I think it would have been more appropriate to have chosen some other fluid in this connection; perhaps beer, whisky or vodka might have been more to the point. Nevertheless, as I say, I was glad that the government has given the cows of Canada a good word.

The fact is that the Canadian cow has a moral and spiritual as well as a material value in our economy. In my riding, as is probably the case in others across Canada, it is the cow that brings or keeps the farmer at home in the late afternoon. The farmer is home because he has to be there to milk the cow. The same cow gets him to bed early in the evening, unlike city executives who, I am told, often frequent nightclubs and similar establishments until a late hour. The farmer is in bed early because he knows he has to get up again early in the morning to milk the same cow. So, in my riding at least, it is the cow which is keeping the farmer of Canada on the straight and narrow path. I might say in passing that it would not be a bad idea I think sometimes if we had a few cows here on parliament hill. Let me say in this regard that I think too many of the farmers in my constituency will not—

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

Mr. Mather: Yes.

Mr. Chatterton: Is the hon. member implying that the farmers who do not have cows are not on the straight and narrow path?

Mr. Mather: No; I do not imply that. However, I still think that the cow might help many farmers.

With regard to the legislation which is before us let me say seriously that while we in our party support it for what it is and as far as it goes, yet I am afraid it is not going to do much to solve the problems of the farmers, at least not those in my part of the country. Too many of the farmers there are paying excessively high prices for feed, fertilizer and other things they need in their production. Feed prices have risen $20 a ton in one year. On the other hand they have unstable markets with resulting insecurity. When they have a good crop they do not know where they can sell it or what the price is going to be. United States farm produce is being brought into the market in British Columbia in competition with our home grown produce in large quantities at presumably low prices; but, Mr. Chairman, these low prices seem to be very seldom passed on to the consuming public. At the same time the low priced United States produce keeps down the prices to our British Columbia farmers. Carrots are a good example. A farmer may get two cents a pound for B.C. carrots but California carrots are selling for 15 cents a pound. This is a big price spread. One direct result of all this is the decline in the farm population. According to the dominion bureau of statistics the farm population of British Columbia in 1961 was 77,540 compared to one of 109,919 in 1951. Much of the loss in this farm population has occurred in the lower Fraser Valley. What is needed as well as lending legislation for the farmers, as I know them, is more and better legislation, the enforcement of the Combines Investigation Act and the taxation of excess profits. We need also established guaranteed floor prices under farm produce. The farmers also need a reduction in the taxes on their land.

I was very much interested last evening to hear the second in command of the Social Credit party say, in relation to the farm loan legislation that money was not everything, that not everything could be accomplished by money; that the farmers might get the loans but they might be worse off as a result of it; and that what was needed basically was more guaranteed price legislation to sell produce

on the farm. I congratulate him on that thinking and I hope that, as time goes by, he may come over and join the New Democratic group in this house who believe in democratic economic planning for Canada.

(Translation):

Mr. Ouellet: No opportunity was given to me, Mr. Chairman, to congratulate the Speaker of the house—I am sorry that he is not in his chair—for his impartiality in presiding over the debates of the house. Frankly, he has proved, in the course of the week, that ours is a democratic country even though he experiences some trouble to apply the standing orders at the present time.

An hon. Member: Just look at who is speaking.

Mr. Ouellet: He had to call for order and I believe that he is not at all responsible for the charges levelled against him.

An hon. Member: How nice of him.

The Chairman: Order. I seem to be hearing two voices at the same time. I would like the hon. member for Drummond-Arthabaska to be able to speak without being interrupted.

Mr. Ouellet: Thank you, Mr. Chairman.

I listened carefully to the opinions of the members who spoke on the act which is submitted to us by the Minister of Agriculture, and which provides for a capital increase to allow a greater number of loans to be granted to farmers in the country.

For the time being, Mr. Chairman, one thing is certain—this legislation is necessary. But I am not sure this will solve the problem definitely. It may solve it temporarily because, as you might have noticed from the statistics quoted by the minister, a great number of farmers have borrowed from the Farm Credit Corporation. I do not know whether our friends opposite take pride in this fact, but you cannot but realize and regret that more and more farmers are poor and getting poorer every day.

My riding is partly agricultural, partly urban. I know something about agriculture because I was raised on a farm, in the constituency of the hon. member for Matapedia-Matane. It was said earlier that farmers had a hard time under the Liberal administration. I was farming then, and I must say that unfortunately the depression continued under the Conservative administration from 1930 to 1935 and also under the Liberal administration from 1935 to 1939. In 1940, the war which was an unfortunate event enabled politicians to save face for a while.

In all truthfulness, if the farmers of this country were here in this house to hear the proposals made here and see the benefits offered under the bill before us, they would be happy and would feel affluent during the time they would be listening to us, but unfortunately the day would come when they would have to face reality and that day would not be too far away.

The problem as it faces the farmers now, is not so much a money problem, but rather a problem of marketing their production. I am certain that if the government would take the necessary steps to market farm products, farm loans would not be necessary any more.

However, I commend the minister for having thought, at least momentarily, of solving the most urgent problem, by asking for a substantial increase. But I wonder if, under the circumstances he went far enough.

Farmers are complaining that they never meet him. If ever they meet him, they will be forced to recognize his kindness. I am positive that he has the best of intentions, but he, like others, is bound to the financiers and he probably cannot do what he would like to do.

We are made fun of when we bring forth solutions, when we ask that loans to farmers should be financed by the Bank of Canada, without interest and only at cost. Farmers want only to live.

The member for Matapedia-Matane pointed out that farmers who work their land during the summer and go to the bush during the winter do not succeed. It is obvious and I found that out myself when I used to operate a farm. Even doing both, we were starving.

It was pointed out that the Liberals were in power longer than the Conservatives and that the latter were only guilty of venial sins. I do not know about the sins of either group, but I do know that I would not absolve them.

After listening to some members in this house, I find that they are excellent salesmen; so much so in fact that if I ran a refrigerator factory, I would hire them to sell those appliances to the Eskimos and I would be sure to have a booming industry.

That is exactly what the farmer no longer wants, he is disgusted with fine speeches. All he wants is action. He is quite willing to work. Therefore, when I see that farmers are asked to pay $50 to have their farms inspected—and I know what I am talking

about—I wonder whether the government could not keep this amount and pay it back after the loan has been retired.

Someone said yesterday that to have a fairly well organized farm, a farmer needs at least $25,000. If you work out the farmer's average income, after he has paid interest on that amount, he has absolutely nothing left to live on, because he has to pay out three quarters of his income on interest alone.

A study of the statistics mentioned in the report indicates that formerly the farm was being mortgaged. The farmer was thus in a strait-jacket. Today, through the banks, all his farm machinery is mortgaged.

If the question is considered seriously, it is realized that we shall certainly have to review the situation, since the farmer gets almost nothing from the sale of his products.

It is also known that many farmers buy farm machinery of a cheap finish—what could be called a scrap-heap—for which they are charged $3,000 or $4,000, and besides that farmers are allowed to mortgage their possessions at the bank, to finally be able to pay for years supplementary interests, when they already paid too much for those farm machines.

Mr. Chairman, farm credit is certainly a good thing. My father got a loan for his farm more than 20 years ago. He is dead now and the only thing he left to his son, my brother, is the farm loan that my brother keeps on paying, with interest. Honestly, what an estate.

Today, they find we do not have enough of it. They want to enslave others still more. Indeed we do what is most urgent first. It is true that the situation is serious, but we must admit, for instance, that Quebec farmers, those in my riding as well as elsewhere, never enjoyed the same treatment as those in the west. They never had guaranteed prices for instance.

I hope my good friends from the west will not hold this remark against me because it must be recognized that when we have talked about agriculture in Canada, we have always talked about subsidies for wheat. As far as the eastern farmers are concerned, they do not remember ever getting any.

Consequently, we must remember that the eastern farmers are still a part of Canada, as much as the western farmers, and, in the future, they should be treated exactly the same way. We can claim that right because we are worth as much as the farmers in the other parts of the country.

Mr. Chairman, I was brought up in the Gaspe peninsula, just like my hon. friend. I lived in his riding and, if I were still there, I do not know if I would vote for him. I know the hard life these people have and, frankly, I am of the opinion that this situation should have been studied sooner.

I hope that we, in the province of Quebec, will have also the pleasure of seeing the Minister of Agriculture. Frankly, if I had not come to the house, I think I would never have known him.

That confirms somewhat the remark made by an hon. member a short while ago. In fact, I do not know if that would improve matters, but it would enable him to see for himself that we are unfairly treated in eastern Canada, and that an assistant minister of agriculture in eastern Canada should have been appointed a long time ago.

There is another thing that I noticed with regard to the measure under study. It is about insurance and they would make loans to farmers between 21 and 45 years of age. If we look at the increase in the number of loans granted until now, we find that farmers from 21 to 45 years old who have always made a success of their farm operations but today find it necessary to get a loan, must be protected. What shall we do to protect them by way of farm loan insurance? Farmers over 45 also have rights. A special premium should be set for them. If they do not wish to take advantage of this insurance, let them at least have the satisfaction of saying it was offered to them.

Under the circumstances, I give the proposed amendment my wholehearted support, but I remain convinced that this measure will not solve the farmers' problem. The government must then make every effort to find outlets for their products. When we have succeeded in finding markets, it should be easier to deal with the problem and more farmers should be happy.

(Text):

Mr. Argue: Mr. Chairman, I should like to make a few remarks at this time in answer to the speech made last evening by the Minister of Agriculture. I wish to say first of all that I am extremely pleased to see so much

interest in the house in farm legislation and to see such an interest in getting workable legislation in all parts of the nation. I want to thank the Minister of Agriculture for the very kind references he made about me and I want to say that I am exceedingly pleased, as I am sure all hon. members are, to see the Minister of Agriculture in perfect health again and able to deliver a very spirited address in this house.

I should like to deal with some of the things that the Minister of Agriculture referred to in his speech and to point out what I believe were a great many discrepancies and matters that require explaining to the house. The first objection that was taken by the Minister of Agriculture was to the net income figures that have been used by members of the Liberal party in dealing with this legislation. I want to point out to the minister that the net income figures that have been used in this debate are taken from a dominion bureau of statistics publication. I believe they are authentic. They have been used by the Canadian Federation of Agriculture in various presentations. I have in my hand the dominion bureau of statistics publication with respect to farm net income, 1960, in which it is explained what is meant when the term "farm net income" is used. Under the heading "Farm Net Income Concepts" it is stated:

> Two concepts are used in preparing estimates of farm net income from farming operations for this report. One is called realized net income—

I notice that the hon. member for Acadia is not in his seat, but yesterday he used this definition.

> One is called realized net income and is obtained by adding together cash income from the sale of farm products, supplementary payments and the value of income in kind and deducting farm operating expenses and depreciation charges.

Then, net income has a refinement. The brief goes on to say this:

> The other is referred to as total net income and is obtained by adjusting realized net income to take into account changes occurring in inventories of livestock and stocks of grains on farms between the beginning and end of the year.

In other words, if a farmer has liquidated part of his cattle, this change in inventory position is taken into account. By using farm net income figures, the figures used by the Canadian Federation of Agriculture, we are able to point out to the minister that farm net income in 1961 was the lowest since 1954. If you remove the 1954 figure, then farm net income in 1961 was at the lowest point at any time since 1945. This, we suggest is a condition that hon. members should not apply. It is a condition that should be improved and no matter whether hon. members wish to quote cash income figures or realized income figures, I think any accountant would say that it is the net position that is of great importance and the net position of agriculture has been steadily declining.

Now, Mr. Chairman, the Minister of Agriculture went on to tell us that there were going to be some changes made. He said that he was going to have some changes made in the regulations to allow loans to be made on poultry. I would suggest to the Minister of Agriculture, with deference, that if loans are to be made on poultry the best way of bringing this about is to change the act itself. If such a provision were placed in the act, then the poultry producers would know this was a right they had. It would be certain; it could not be taken away except by a further act of this parliament. This is a much better position for the poultry producer than to have a change in the regulations, even if such change were constitutional and legal. I should like to be assured by the minister on what grounds the regulations could be changed to provide money for the poultry industry when no such provision is contained in the act itself, as I read it. However, even if, in the minister's opinion and in the opinion of the legal advisers to the government, it should be in order, I suggest it would be far more satisfactory to have an amendment to the act itself so it would remove any doubt about this feature and would give it the permanency of legislation rather than the impermanency of placing it in the regulations.

The minister went on to try to defend the fee for services, as he called it, or the appraisal fee. I thought he had a rather weak defence. The minister said, in defending this $50 fee, "Well, do not feel too sorry for people who are supposed to have paid this $50 fee because I would say a great many of them did not pay a dollar; you are giving that service as a free service, but some fee has to be established." How could it be an appraisal and a free service, if the only answer the applicant gets is, no? My understanding of the $50 appraisal fee was that this money was to enable the Farm Credit Corporation to go out and look at the farm and actually appraise it. This is no appraisal, no matter what the minister may term it, when the applicant comes into the office and they merely say to him: "You are not eligible for a loan, therefore we will charge you nothing."

Mr. Woolliams: I wonder if my hon. friend would permit a question?

Mr. Argue: When I sit down, my hon. friend can ask all the questions he likes. I would suggest to the minister that this $50 fee is a bar to the provision of small loans. It is inequitable to ask a farmer who gets a small loan, and who obviously has a small

farm, to pay the same appraisal fee as a man who gets a big loan. How can you say, with any degree of equity, to the farmer who gets a small loan that he has to pay a $50 fee and the man who gets a large loan is also told that he has to pay $50? Surely, this is making the little guy pay through the nose and is a bar that should be removed. I suggest to the minister that the original appraisal fee of $10 was far preferable in every way to the $50 fee which has been provided by the regulations.

Now, Mr. Chairman, we in this party have been asking the minister to consider sending this measure to the agricultural committee. We think it is a good suggestion. We think it would be a very good thing to have this measure go before the agricultural committee where the officials could be called, where they would give evidence, where they could be questioned, where we could ask the minister to give us some answers to some of the problems that have been raised. I regret very much that the leader of the Social Credit party, when he spoke following my speech the other night, opposed this suggestion. I feel it was a mistake on his part because I do feel that many members in the Social Credit group want to see a better deal for the farmer.

But apparently some kind of arrangement has been made in this house so that no matter what the vote is, no matter what the justice of the vote is, the members of the Social Credit party always vote with the government. Now, that seems to be the situation. I do not favour the deal that they have made.

Mr. Ricard: What deal did you make, yourself?

Mr. Argue: I would suggest to them that they have carried this much too far.

The Chairman: Order. I would make two points. I think there is a suggestion of imputing motives to the Social Credit party, and that is not in good taste. I do not think the hon. member can comment on this sort of thing and really stay within the rule of relevancy as it relates to the resolution under consideration.

Mr. Argue: Well, Mr. Chairman, I withdraw any implication of motives. I come back to saying that I believe it would be a good idea to send the bill which will be introduced following this resolution to the committee on agriculture. I point out to the members of the house, and I point out particularly to the members of the Social Credit party, that here would be a good opportunity for the members of this house from all parties to make recommendations for excellent changes. These would not involve matters of confidence in this committee. I suggest the $50 fee should be reduced to $10. This would not upset the government in any way. If a recommendation came into this house to change the formula in such a way that smaller farmers could get more loans, it would be a recommendation and not want of confidence.

Then, when these recommendations came from the agricultural committee to this house, with the blessing I would hope of the Conservative members in the committee and certainly I would hope of members of other parties, the government could decide whether or not they would accept those recommendations. If they feel so strongly opposed to certain regulations, then if they wish they can get up in the house and say this is a matter of want of confidence. I do not think they would, and by the leader of the Social Credit party saying he is opposed to having this measure go to the committee he has done a disservice to the farmers from one end of the country to the other. By refusing to send it to the committee he has made it impossible for the members of the agricultural committee to effect a large measure of improvement in the bill that is to be presented to this house.

The minister had a lot of things to say in his speech. As recorded at page 688 of *Hansard* for October 18, he said:

> There were some new members who, probably in their innocence, told the committee that we have to give more loans to the small farmers. That is exactly what we have been doing.

Yet when we tried to find out the range of loans given to small farmers we did not get the information. We got a little information. The minister took a high figure and said there were 2,500 farmers who got loans of $10,000 or less, out of somewhat less than 6,000 farmers who received loans. This means that only 42 per cent of the farmers received loans of less than $10,000 and 58 per cent of the loans were in excess of $10,000. This proves, I suggest even without the other evidence which I asked the minister to produce, that the small farmer has been discriminated against all down the line.

I further suggest that there is a reason for this. The government has raised interest rates so high that the Farm Credit Corporation is losing money, and I am afraid that if they were asket about it in the agricultural committee they would reply "Well, we are lending the money in the big loans. We will not have high administrative costs if we put the money out in fewer loans, in large amounts

instead of in small loans in larger numbers." This is an attempt to control the size of the losses the corporation has experienced.

I ask the minister this afternoon to produce the tables I asked him to produce last night showing the number of loans in the various categories. It is important to get that information; but when we said more money should be provided for the small farmer he replied "We are doing it." However, the figures do not prove it. Indeed the facts and figures prove the very opposite.

The provisions of the act specify that farm property must be put forward as security, and set out the percentage that must be loaned against property. The minister also said:

> Today we ask only one thing: Will this loan make it possible for this man to make more money for his family? We are not going to lend money to anybody if it is going to put him in a hole where he is always under this debt.

We now know that 55 per cent of the applications have been rejected and, according to the minister's own statement, they have been rejected because lending money to these people would only put them in the hole. What a condemnation this is of the government's agricultural policy, to say that 55 per cent of the farmers who seek loans are in such a position that if they were given the money they would be in the hole on a permanent basis.

Mr. Woolliams: He never said that.

Mr. Argue: The minister says they are helping the farmers in Nova Scotia, and the technique there is to lend money on the character of the person concerned, to lend him money on the opportunity which exists, and not on any casual assets he may have. That would be illegal.

Mr. Rapp: Make your own speech.

Mr. Argue: The minister says there is a new clause. I cannot find it in the act or in the regulations; but if they are lending money on character instead of farm land—

Mr. Bell (Saint John-Albert): You would not get much.

Mr. Argue: —how is it there are just 41 farmers in Nova Scotia out of some 12,000 who have enough character, in the words of the Minister of Agriculture, to get a loan under this legislation? The minister knows there is no provision for lending money on character. An applicant has to produce some real asset, and it is given as security on the loan he receives. I do not believe that to put this forward as a real proposition contributes very much to the proper administration of the act.

The minister made quite a speech. At times it was a moving speech and one could just feel the need of farmers across the country to get something from the government. The minister was also frank. He said they were not doing a very good job in some parts of Canada and they wanted to improve it, but he added that they were doing a good job in western Canada.

He said he went out to western Canada during the election campaign and told the farmers there "Our ship has come in". He went on to say that he told the western farmers that his efforts for the next two or three years would be directed to those areas of Canada that needed to be lifted up. I agree there are areas that need to be lifted up, but the farmers in western Canada must be amazed to hear from the minister that he thinks their ship has come in and that now he will direct his detailed attention to other fields.

What happened out in Alberta, Saskatchewan and Manitoba since the election? The government had the initial price of Durum wheat reduced by $1 a bushel on August 1, and the amount of wheat shipped from the lakehead this year from western Canada, in the navigation season to date, has totalled just 100 million bushels as compared with 168 million bushels of wheat last year. The ships may be moving but they are apparently little over half full, and the farmers in western Canada will remember that the minister thinks their ship has come in.

An hon. Member: Watch your own doesn't sink.

Mr. Argue: The minister told the farmers in Saskatchewan, Alberta and Manitoba that they would get $2.19 a bushel, but the price has never reached even $2 a bushel. Can the minister explain that to them?

The Prime Minister was in his seat earlier this afternoon and I only wish he were here now. He went out to western Canada and said that if he were returned as Prime Minister he would make acreage payments permanent. There is no reference to that in the speech from the throne. The western farmers took the Prime Minister at his word, but where is the reference to $1 an acre in the throne speech? The western farmers will not be very pleased with that kind of treatment since the election.

The Minister of Agriculture says that from now on he is going to do his work in the east. Well, he has lots to do; but what has he been doing? A few days ago he made a threat to the dairy producers and warned

them that if they did not curtail the production of butter he would cut the floor price. That does not sound too helpful.

He said he would help the eastern farmers, but the first thing he did was to reduce the premium on grade A hogs from $3 to $2 a head. How does that help the eastern farmers? He robbed them of $1 per hog, but he made certain not to mention during the election that this was going to be done.

He also said he was going to do something for the poultry producers. They have not been getting any loans under this act and he said he was sorry for them and would do something for them. He was going to change the regulations. I said that I wished he would put it in the act. He said a farmer should be able to get a loan if he has 2,000 or 3,000 hens. He said an operation of this kind is a medium sized poultry farm. He went on to say, and I quote from his statement:

I for one do not want to call him a large farmer because he has 2,000 or 3,000 hens. It requires at least that number of hens to give a family any kind of a living.

I have no quarrel with that statement. Yet the other day the Minister of Agriculture announced the deficiency payment on eggs and he said the payment would be limited to a maximum of 4,000 dozen eggs a year per farmer. Now the minister says the farmer, if he is going to make any kind of a living, has to have 3,000 hens; but the deficiency payment is on 4,000 dozen eggs. What kind of hens was the minister talking about—16 eggs in one year from a hen? That is all the support that is going to come from the government. I do not know whether they are prehistoric hens or Tory hens—that do not lay anything—or just what is wrong. But surely that is scarcely a sound policy, to say that a farmer has to have 3,000 hens to make any kind of a living, and they will provide a support price on 16 eggs per hen in one year, when a hen that is worth its feed should be laying 200 eggs a year or more.

Mr. Woolliams: What a hen.

An hon. Member: The minister laid an egg.

Mr. Argue: The minister went on to make a very interesting speech. He had a lot of things to say. But I will tell the committee one part of the speech that I did not appreciate and which I felt the minister should not have made. I do not think it was becoming: I do not think it was fitting; I do not think it was in keeping with the type of country we have. He said that he went out across this country and gave little lectures to the administrators of the Farm Credit Corporation. He said:

I have driven home as hard as I can exactly what I have been saying here today. I used this type of simple little lectures, that I do not care how miserably dressed a person is when he walks into your office—

As a farmer I take that as a slight.

Some hon. Members: Oh, oh.

Mr. Argue: Mr. Chairman, my hon. friends can giggle if they like. I do not think the farmers of this country walk around miserably dressed. I think they are dressed as well as any other people in a similar kind of occupation. But the minister did not leave it at that. He said:

Even though a person speaks in broken English—

I do not know what the minister was thinking about. He did not leave it at that. He went on to say there were people years ago administering this program who took such things into account. I have lived in a community in Saskatchewan where I have been almost a minority of one as a person with an Anglo-Saxon background. I live in a community in Saskatchewan today where almost everyone in the community either came to Canada from the old country or whose father or parents came from the old country. They do not speak broken English. They speak English as well as my relatives and ancestors, who came from the Ottawa valley and had a nice little Irish accent that I think is very pleasant. I do not think it behooves the Minister of Agriculture to say or infer that the agricultural producers who come in for loans are miserably dressed and speak in broken English. I think that kind of stuff should be left out of a speech and left out of this house; it should not have been referred to by the Minister of Agriculture.

We have put forward a number of suggestions. We will have more suggestions to put forward in this committee as the days go on. But I suggest to the government and to the Minister of Agriculture, who I know would like to see this bill and other legislation improved, that particularly when we are a group of minorities in the house, the way to improve this legislation is to send it to the committee on agriculture where it can be considered and important improvements to be made in the legislation can be recommended to this house.

Mr. Hamilton: Mr. Chairman, I do not intend to reply to the hon. member for Assiniboia except on one point, because the praise I gave him last evening for being moderate and constructive apparently went to his head and he comes out with a speech similar to those he used to make when he was with the C.C.F. As a result there are no more C.C.F. members in Saskatchewan.

There is only one point the hon. member made that I think warrants any kind of attention. That is the one where he tried to

get out of this fantastic error the Liberals have been making for years in describing the income of farmers. The hon. member outlined today the various factors that make up the cash income of farmers, the supplementary grants from the government and income in kind, adding up to a total cash income. When you take off the costs of operating and depreciation you get an operating, net figure that is the cash in the farmer's pocket.

The dominion bureau of statistics have a bookkeeper's item called realized income and inventory. When the farmer is growing grain beyond the amount he can sell, has a surplus and is filling up the granaries on his farm, the bookkeepers of the dominion bureau of statistics say this is income in his pocket. Therefore when the farmers across Canada make say $1½ billion, they add on the $3½ million surplus that he did not get paid for and say that is on the farm. That is why the Liberals went up and down the country in the thirties and forties and said, "Look how prosperous is the farmer in Canada. He has this money; his income is at a very high level". They added on all the wheat he did not sell.

Oddly enough, Mr. Chairman, in 1961 the only figure the hon. member quoted was the lowest income the farmers have ever received except for one year. Let me tell the committee that for last year the bookkeepers in the d.b.s. had added on wheat that had not been sold back in the period of the Liberal regime, and they had to take it off when we sold it. So that last year, if hon. members will look at the figures across Canada they will see the figure of $397 million as realized cash income, the farmer's real income, which brought it down to this low figure. But actually the farmer had not had this money taken out of his pocket at all. It had been added on previously. Therefore to get the real figure for last year one has to take the realized income plus the inventory, because the income the farmer receives is when he is paid for his products, not the bookkeeping entry previously; so really the figure the Liberals are quoting as income is roughly $800 million out.

That is all I am going to say, Mr. Chairman, about that remark in the speech of the hon. member. The mere fact that he repeated all I said must have indicated to the members of this committee how much truth there was in what I said, because they never bother answering things that are not important. The hon. member answered point by point what I said yesterday and put it all back on the record, because he knows he carries the weight of sin and guilt that must fall on the shoulders of the Liberal party for what they did not do for agriculture for 22 years.

Certain hon. members of this committee made remarks today upon which I think I should comment. I should like to make a suggestion at the end of these comments, and I hope I can complete this argument before five o'clock. One hon. member mentioned—I think it was the hon. member for Argenteuil-Deux-Montagnes—that the farmers of his province did not know about this legislation. I agree; this is absolutely correct. We have one part of our country where the farmers do not even know the legislation that exists and what is available to them. I think I am a failure as Minister of Agriculture for not having been able to get down there and tell them what this government has made available to them in the last four years. So to the hon. member for Argenteuil-Deux-Montagnes and other hon. members of the Social Credit party who have been telling this committee about the real needs of their constituents I would say that I welcome invitations to visit their counties, see their farmers and talk with them face to face.

I should be glad to talk with those farmers and tell them what assistance is available to them in the hope that they will take advantage of this great confederation—the tremendous tools which the taxpayers in all parts of the country have put into the hands of agricultural producers. I am thinking of such measures as crop insurance, conservation, rehabilitation and so on. I would like invitations, preferably at week ends, when I do not have to be here in the house, to tell the farmers in more detail the possibilities which are open to them, because by so doing I think they would be encouraged to take advantage of legislation which is already on the books as well as of measures which are due for enactment shortly.

Mr. Chairman, I know that a large number of members have indicated their intention to speak on this subject, and I would ask as a favour not only to myself but also to many thousands of farmers, whether we could not get this resolution through today. On second reading, of course, every member can speak again if he so wishes, and when we move into committee after second reading, every member can speak as many times as he pleases. Moreover, on second reading hon. members would have the bill in their hands and, being in possession of the entire facts they could probably direct their remarks more closely to the subject matter in accordance with the rules of the house. If we get the resolution stage through today, the bill could be printed and put into the hands of hon. members on Monday and we could get off to a good start next week, moving forward to

help the farmers of this country. I am thinking particularly of those in British Columbia and in eastern Canada. The co-operation of all hon. members in this regard would be much appreciated.

Mr. Argue: On this procedural question, this request by the minister that the resolution be passed by five o'clock, would the hon. gentleman agree that should this be done the bill might be sent after second reading to the committee on agriculture and colonization where all the aspects of this question could be considered and where any comments which hon. members might wish to make at this stage could be made to some advantage?

Mr. Hamilton: I have heard that suggestion, and I would like to consider it objectively. I should like to make a counter-proposal. I would welcome the bringing of officials of the Farm Credit Corporation before the committee on agriculture but I suggest that could be done more advantageously at the regular time. We could call the committee together then and have this farm credit legislation reviewed by the members of that committee but, in the meantime let us get this legislation through. I have a good reason for getting certain amendments made so that I can operate this measure in the fall in eastern Canada. This would not affect the right of hon. members to ask questions, make suggestions and go over the whole operation.

Mr. Argue: Mr. Chairman, if I may say a word—

The Chairman: Order. I see the hon. member for Esquimalt-Saanich.

Mr. Argue: I point out that the reply which could be made now was not allowed. I point out that after the minister made that suggestion a member of this party was not allowed to reply to it.

The Chairman: I will hear the hon. member for Assiniboia. I trust he intends to be brief.

Mr. Argue: There is one big flaw in the suggestion made by the Minister of Agriculture. We do not want a school for the edification of members of this house with regard to the legislation now before the committee. We want the bill brought before the committee so that we can make necessary changes. That is far better than passing the legislation and then being told: come on, now the act is on the statute books we will merely discuss it with you.

Mr. Chatterton: I had intended to speak on this resolution, but in view of the request just made by the minister I will defer my remarks to another occasion. I know many farmers in my area are anxious to get the benefit of these amendments and, as I say, I will therefore defer my remarks trusting we will get this resolution through.

(Translation):

Mr. Dumont: Mr. Chairman, all we have to say, from this side of the house, is: let us have farm credit while waiting for Social Credit. I thank you.

(Text):

The Chairman: Shall the resolution carry?

Mr. Argue: No.

An hon. Member: The farmers' friend.

Mr. Argue: I am very pleased not to let it go through now.

Progress reported.

Mr. Speaker: It being now five o'clock the house will proceed to the consideration of private members' business—public bills and private bills.

INDUSTRIAL RELATIONS

PROVISION OF MINIMUM RATE OF WAGES FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. C-10, to provide for minimum wages for employees in federal works, undertakings and businesses.

He said: This is a bill the principle of which should commend itself so readily to all hon. members that debate should be very brief. I will endeavour to set a pattern of brevity in the hope that this measure, at least as far as second reading is concerned, may receive the approval of the house during this hour.

At this point I wish to say that if that happens, and I hope it will, I will not ask for the bill to be referred to the committee of the whole house but rather I will ask for it to be referred to the committee on industrial relations so that its many details might be studied. In other words I do not ask the house to accept all of the details and all of the machinery contained in Bill No. C-10 as the only way of carrying out the principle. However, I ask the house to support the principle. I submit that the time has come for an act to be placed on the federal statute books establishing a minimum wage for all workers who come under federal labour jurisdiction. As a matter of fact, Mr. Speaker, it seems strange that, in this year 1962, there is still no such legislation on our statute books.

In 1935 Mr. Bennett tried to put minimum wage legislation on the federal statute books but the bill which Mr. Bennett brought in at that time was later ruled by the courts to be ultra vires of the powers of the federal

parliament. That ruling, of course, was given because Mr. Bennett's legislation endeavoured to enact a minimum wage that would apply to all workers in Canada, whether they came under federal or provincial labour jurisdiction. This bill avoids that pitfall. Like the government's bill providing for annual vacations with pay, this bill applies only to those employees who come under federal labour jurisdiction.

I suggest that not only is it strange that in 1962 there should still be no legislation of this kind on the federal statute books but that it is most unfortunate that the minimum wage legislation in our provinces is such a patchwork. Not only is there no uniformity; the tragedy is that in at least three of our provinces there are no effective pieces of legislation or regulations so far as male employees are concerned. Those three provinces are Ontario, Nova Scotia and Prince Edward Island. In all of the provinces there are some provisions with regard to minimum wages, but in most cases they apply only to female employees or only in various regions or districts. There is a great lack of uniformity in these regulations. Furthermore, the figures that are set down as minimum wage rates are, in my view, far too low. Therefore, I think that the time is ripe for the federal parliament to give a lead to the provinces by enacting this minimum wage law for those who come under federal labour jurisdiction, and in so doing, making it a law that is worth something.

In this day and age the wages for our people should be much higher than is proposed in this bill. Certainly the figure suggested in this bill, namely $1.25 an hour, is the least that we should countenance as a minimum. That is the reason I propose this bill, Mr. Speaker. We surely need it in the federal field. I suggest that the time has come for the federal government to give a lead to the provinces right across this country. If we were to take this step of establishing a minimum wage at the federal level, at a reasonable figure such as $1.25 an hour, I feel satisfied that on the part of the provinces there would be a tendency to follow suit.

This consideration, of course, reminds one of an argument we have frequently had in this house as to whether we should lead or follow the provinces. It all depends on whose bill is up for consideration which side of that argument various spokesmen may take. However, I will say this, to the credit of this government and also to the credit of the former government. There are some instances in the labour field in which the federal parliament has taken the lead and the results have been all to the good. Therefore because it is sound, right and humane, I hope that we shall accept this legislation. As it would give a lead to the provinces, I also say that I hope we shall not delay.

At one time or another all parties have indicated their support for the principle of a minimum wage. As a matter of fact, in the 1957 election campaign the Conservatives had a good deal to say about the overhauling they would do of federal labour legislation. To be specific, the Prime Minister (Mr. Diefenbaker) then the leader of the opposition, in that campaign promised that legislation providing for minimum wages would be introduced. That was 1957. It is now 1962 and we still have not that legislation. There was not so much said about it, of course, in specific terms in the two succeeding elections but the 1957 promise remains unfulfilled. By this bill I am giving to the Conservative members of this house the opportunity to fulfil their promise of 1957. It is also an opportunity given to the Liberals and to the Social Crediters to fulfil promises they have made to the Canadian people as well.

In 1957 I had the privilege of presenting a bill which was almost identical to the one that is now before us. On that occasion, of course, I reminded the Conservatives of the promises they had made in the election campaign. I was told by various spokesmen on the Conservative side of the house that there was nothing wrong in principle with my bill but that I should not be quite so impatient; that after all the government was that year bringing in one piece of labour legislation and others would follow. I have read again with interest the debate of 1957 and I find that a number of those on the Conservative side of the house literally said to me, "Just do not get in a rush; leave this matter to us and we will do it". That was 1957. It is now 1962 and as yet no proposal has come forward from the government side for legislation of this kind.

I therefore hope that this bill will be looked upon as an opportunity to do something that should be done for the Canadian people, to give a lead to the provinces and to put on the statute books a principle that all four parties in this house support.

I repeat what I said in the opening part of my remarks, Mr. Speaker, namely that I am not necessarily wedded to all of the details in this bill. As a matter of fact, we are precluded by the rules from referring to or discussing the clauses in it. I have tried with assistance to work out a bill that has the mechanics in it and I think they are good. However, I should be quite happy to have in the committee on industrial relations a full discussion with regard to the mechanics of it. I should be quite happy if in that

committee advisers from the Department of Labour were to come forward with proposals for other ways of carrying out the principle. That is the reason I have given the commitment that if this house will approve this bill in principle by voting for it on second reading, I will not try to rush it through the committee of the whole house but will move that it be referred to the standing committee on industrial relations.

I am sure all those who know me will give me full marks for keeping my promise to try to set a pattern of brevity. I present this bill to the house. It is something I am sure we all support and I hope that it will receive the endorsation of the house.

Mr. Gordon Chaplin (Waterloo South): Mr. Speaker, in rising to speak today as a new member of the house I realize that this bill which has been presented by the hon. member for Winnipeg North Centre (Mr. Knowles), or one very similar to this, has been placed before the house on several occasions in the past. As a manufacturer from a relatively high cost labour area I am very much in sympathy with the principle involved in the bill. From a personal standpoint I should like to see a standard minimum wage that extended across Canada because there are many times when the lack of such a minimum wage makes it very difficult to compete in certain operations and with certain products that are manufactured in other parts of Canada at what would appear to be exceedingly low labour rates.

The hon. member for Winnipeg North Centre has already mentioned it, but I would point out that a Conservative government under the late R. B. Bennett passed legislation that attempted to cover a wide area in regard to minimum wages. This legislation was challenged by the then incoming Liberal administration, which placed the legislation before the courts where it was ruled ultra vires. In the light of this, it would appear to me that the provinces have the right in a general way to apply minimum wages.

I do not think that the bill goes far enough to be of any real significance, in all fairness to the member who introduced it and I do not think that under our constitutional set-up any such bill that we pass here can be effective. Let us look at the classifications of employees that the bill purports to serve or help in any way. I refer to page 2 of the bill, clause 3 where, under "application of the act", there is the following:

(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;

(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) banks and banking.

In the first place, I doubt very much whether banks and banking should be included in a bill of this kind. Be that as it may, let us take the railways. Railways in this country are highly organized from the standpoint of labour. The railway unions are old, very well established and highly respected and they have done an exceedingly good job in looking after the interests of their membership. In my opinion, sir, the purposes of this bill simply do not apply in this area.

Let us take shipping as another example. This bill surely does not apply here. We all know that the chaotic condition of shipping on the great lakes is due to the activity of certain predatory unions. But this is nothing that $1.25 an hour is going to correct.

Then we come to aircraft, air transportation, telegraphers and broadcasting stations. In the vast majority of these cases I doubt very much whether this bill applies to any great or important extent. In looking at the bill I do not believe that it goes so far as to govern crown corporations. But let us suppose it does and let us take the case of Polymer. There again from the standpoint of labour the employees are very highly organized. The corporation is competing for employees and has to pay up to the best going rates in that particular area.

It may surprise some of the members opposite to know that in many areas of this country today it is very hard to get employees. I know that the Liberals opposite have been trying so hard for so long to sell a depression in this country that they now believe it themselves. However, there are many areas in the country that do need the protection, such as the hon. member for Winnipeg North Centre has described, that is offered by an adequate standard minimum wage. I should like to follow his thinking and reasoning a little further by referring to the provincial minimum wage orders which illustrate the point he was making. From this publication I note that in Newfoundland the minimum wage is 50 cents an hour for males and 35 cents an hour for females.

Mr. Starr: That is because there is a Liberal administration there.

Mr. Chaplin: Nova Scotia has its own system which I have not translated to an hourly basis. In New Brunswick the figure is 50 cents an hour. Quebec has a spread in rates in various zones, those rates being 60 cents, 55 cents, and 50 cents an hour. In Ontario the figures for female employees only are $22, $20 and $18 a week in the various zones. In Manitoba the figures are 60 cents, 58 cents and 54 cents an hour. In Saskatchewan the minimum rates are $30 and $29 a week.

An hon. Member: Not Saskatchewan?

Mr. Chaplin: In Alberta the figure is $30 a week for male employees in one category. There are other categories which I do not think it is necessary to refer to for purposes of this discussion. I think the hon. member for Winnipeg North Centre is quite right when he says that in all these areas the minimum wage is much too low and should be improved. None of these figures are very good, and that includes Saskatchewan. The hon. member has talked about a minimum of $1.25 an hour on a very restricted basis; but we see that in Saskatchewan, as I have indicated, the rates work out to 70 and 75 cents an hour. With a socialist government there one would have thought that after all these years they could have done a little better than that. With the influence that the hon. member for Winnipeg North Centre must have with the government of Saskatchewan, surely he could have persuaded them to adopt a more progressive attitude in this field than they have shown to date.

In all fairness to the hon. member I think I should say I realize that Saskatchewan is not heavily industrialized and perhaps the minimum wage they have adopted is satisfactory for their purposes, but it does seem to me that the point at which this problem should be tackled is at the provincial level.

One other matter that the hon. member has obviously overlooked is that with the way in which this house is at present constituted there is always the possibility and the danger that members opposite might be returned to office. If they did form a government and if they continue in the manner in which they have been talking recently, if they continue to downgrade Canada and live up to those dire forecasts they are so fond of making, we will find that a minimum wage of $1.25 will be much too high because no industry in this country will be able to afford to pay it.

As far as the bill is concerned, I do not feel that it has any real or practical application. Nevertheless, because I believe in the principle involved and because I believe that minimum wages generally across the country should be improved, I do not want to appear to be negative in this matter. As I have said previously, I believe that this problem should be attacked through the provinces, and I think it would not be out of the way to expect this government to use its good offices to approach the provinces with a view to trying to persuade them to equalize and improve the minimum wage position across the country. I recognize the fact that all of the provinces are not in the same stage of development and it might indeed be difficult to get all of them to agree to a standard minimum wage. However, I believe that with a discussion under the leadership of the present government, I would hope, and with an approach of that kind we could at least close the gap in this regard and get higher minimum wages for the people of this country.

Mr. Speaker: Does the hon. member for York South want to ask the member a question?

Mr. Brewin: The hon. member for Greenwood; and I wanted to ask the hon. member a question, if I may before he takes his seat.

Mr. Speaker: If he wishes to answer.

Mr. Brewin: Does the hon. member wish to answer?

Mr. Chaplin: I will try.

Mr. Brewin: The question is this: The hon. member says he is in favour of the principle of the bill but, as I understand it, for constitutional reasons believes it is not broad enough to cover the whole field. The question I should like to put to him is, does he not think that half a loaf is better than no bread? Does he not think a good principle ought to be put into effect in the field over which this parliament has jurisdiction?

Mr. Chaplin: I am sorry, could I have the latter part of that question again?

Mr. Brewin: Does the hon. member not think that a good principle ought to be put into effect in the field over which this parliament has jurisdiction? He said this bill had a good principle, and I asked him if he does not think it ought to be put into effect where this parliament has, in fact, jurisdiction?

Mr. Chaplin: All I can say to the hon. member is that the number of people directly involved in this bill is actually so small that I think it is negligible.

Mr. Lewis: Where would the harm be in having this legislation on the statute books?

Mr. J. C. Munro (Hamilton East): Mr. Speaker, it gives me great pleasure, on behalf of the Liberal party and my colleagues on this side of the house, to endorse 100 per cent this bill moved by the hon. member for Winnipeg North Centre (Mr. Knowles). I wish to compliment the hon. member for Winnipeg North Centre upon being the author of this bill and bringing it before the house today.

There has been considerable discussion as to what the practical application of the bill might be. I think it is considerable. I believe the idea expressed by the hon. member for Winnipeg North Centre was that the bill would set an example or a starting precedent which would be followed by the provinces who have more jurisdiction in this field. If this is the feeling of the hon. member for Winnipeg North Centre, then I trust his hopes may be realized.

It is really unfortunate that the federal government does not have more jurisdiction in this field. The historical background of this matter has been dealt with amply. It seems to me that there are two factors which, in my opinion, make this bill all the more attractive and necessary right now and I hope the passage of this bill will to some degree alleviate the situation. I refer to the fact that there are several areas of employment in which wages are really substandard. This probably results from a lack of union representation, because the peculiar features of the employment do not attract union representation.

The other factor which, in my opinion, makes it all the more necessary to have legislation such as this is that it appears there are so many new people arriving in this country who are unfamiliar with the country, that they lend themselves readily to being exploited by all manner of employers. This type of legislation, so far as setting an example is concerned, will contain rates and job practices which would help prevent this exploitation. An example comes readily to my mind and is contained in the Goldenberg report on labour management relations. This royal commission was established by the Ontario government to study the construction industry. I feel this is a good example because I think that this is the type of industry in which an example really has to be set by somebody. If it falls to this house to do so, then we should do it.

I think it would be apropos, Mr. Speaker, if I were to quote a few of the recommendations contained in the Goldenberg report. I am quoting from chapter 7:

> Where the construction worker is not protected by a collective agreement or an effective industrial standards schedule, I find that such protection must be provided by a minimum wage. The facts show that both unskilled workers and tradesmen in the unorganized sectors in the industry are particularly vulnerable to competitive pressures on their hourly wage and working conditions which may and do lead to exploitation. Considering also the transient and seasonal nature of their employment, their earnings will in many cases be substandard, particularly under conditions such as those recently prevailing in residential building in metropolitan Toronto.

He goes on to state that the Ontario legislation has been ineffective, and then he says:

> I find that conditions in sectors of the construction industry where collective agreements do not impose restraints call for a change of policy in Ontario in respect of this industry.

Mr. Goldenberg then goes on to call for minimum wage standards to be set in order to cure the alarming deficiency and the exploitation of labour in Canada. In my opinion, this is one of the principal things, in an indirect way, this bill will accomplish. I think it is deplorable what is happening in the construction trades in Canada. The conditions in the trade are almost medieval. I should like to quote again from the Goldenberg report to show that some steps should be taken, irrespective of the immediate tangible results. I am quoting from page 10, where he is talking about the construction industry in the Toronto area in 1960-61:

> Against a background of illiteracy and quiet desperation, workers were being compelled to accept conditions—sometimes under threat of deportation—which were startlingly deplorable.
>
> Wages began to fall. But no contractor could hope to compete with the individual who was arranging the emigration of his own work force from Italy, and then providing wages in the form of board and room.
>
> The ten-hour day had become commonplace, and the six or seven day week was not unusual.
>
> The hours of work and vacations with pay act . . . was observed in the breach, rather than in performance, and overtime premiums and vacation pay had apparently not yet been heard of by most employers.

The report goes on to cite the alarming conditions and exploitation of labour. I am aware of the situation in the Hamilton area, especially in the construction trades amongst the so-called new arrivals. I feel the time has arrived when it is urgent that such legislation as this be passed.

I should like to refer to a few of the things mentioned by the previous speaker on the Conservative side of the house. He talked about the possibility of the next Liberal government coming into office, and about the attributes of his own administration. I might point out that the Goldenberg report, which is an excellent one and contains many clear recommendations concerning minimum wages in the construction industry, which has had a history of exploitation so far as employees are concerned, has not been acted upon at all by the Conservative government which set up the royal commission.

If I may, Mr. Speaker, I should like to go back for a moment to the real purpose of the hon. member for Winnipeg North Centre in introducing this bill which, I think, was to set an example. If that is the idea, if the merit of this legislation is to set an example, I am just wondering if it does so.

Are we in the federal parliament in Ottawa in a position to criticize the Ontario provincial government for not implementing the progressive recommendations contained in the Goldenberg report, when the best example we can set is $1.25? It is quoted in the Goldenberg report, and the suggestion so far as tradesmen are concerned is that the minimum should be $2.

It is also noted that one of the most progressive provinces is British Columbia, where they have a minimum of $1.25 for unskilled trades and $2 for skilled trades. Perhaps we should consider, not right now but when this goes to committee, making appropriate amendments to the legislation and making its provisions wider so that at least it might set the example we want, so far as the province of Ontario is concerned, and provide a minimum of $1.25 for unskilled labour and $2 for tradesmen working on federal projects and under federal jurisdiction.

Again coming back to the question, are we in a position to criticize provincial administrations if we ourselves do not have an act of which we can be proud? One of the most serious things we ought to consider is making provision in the bill for $1.25 an hour for a 40 hour week, with time and a half over 40 hours, which I believe is also the practice in British Columbia. I do not feel the legislation will accomplish its real purpose unless provision is made to that effect because, as I understand it, its real purpose as proposed by its sponsor is to set an example; and I am just wondering whether it really does that.

(Translation):

Mr. Real Caouette (Villeneuve): Mr. Speaker, the explanatory note reads as follows:

> The purpose of this bill is to establish a minimum rate of wages with respect to all employees in Canada who come under federal labour legislation. This bill provides that such minimum rate of wages shall be $1.25 per hour. The bill also provides that its terms do not affect any employee whose rate of wages is higher than the minimum established by this legislation. However, any rate of wages less favourable to employees than $1.25 per hour is superseded by this bill.

If the bill introduced by the hon. member dealt only with a salary increase for employees in Canada, we would be 100 per cent in favour of it. However, certain clauses of the bill provide for restriction and interventions in the affairs of private enterprise and Canadian employers. For instance—

[Mr. Munro.]

(Text):

An hon. Member: Did you read the bill—

Mr. Peters: You would be wise to read the bill.

Mr. Caouette: Yes, I read it.

Mr. Peters: You did not understand it.

Mr. Caouette: Yes I did understand it, but I feel the one who wrote it did not understand what he was writing.

(Translation):

Mr. Speaker, the bill could have provided for a minimum salary of $1.50 instead of $1.25 and we would gladly have endorsed the proposal.

However, the bill states that the minister concerned, or his representative, will have the right to intervene in the operations of private enterprise, to check the books and interfere with the administration of a company. That is precisely why I feel that it infringes upon freedom as we understand it in Canada.

I am in favour of setting a minimum concerning wages. Yet, there is a difference between the provinces and the federal government even if the provisions of the bill touch only upon matters which come under the central government.

In my opinion, it is not the federal government which has given birth to the Canadian provinces but the other way around. It is thanks to the provinces that Canada is a confederation today.

If a province decides—Mr. Speaker, I have just heard the hon. member for Assiniboia (Mr. Argue) state that that is true. That is not what he was saying about ten years ago—

(Text):

Mr. Argue: I did not say a word. I did not open my mouth.

(Translation):

Mr. Caouette: Mr. Speaker, I believe that we should, as federal representatives, leave it to the provinces—

(Text):

An hon. Member: My god, he is a Liberal.

Mr. Caouette: Yes I am, but a true liberal not a socialist liberal.

(Translation):

Is that it?

Mr. Lewis: Yes, that's it.

Mr. Caouette: Mr. Speaker, those problems come under provincial jurisdiction. Let the federal government make suggestions to the provinces at federal-provincial meetings, and I am all for it.

We are in favour of workers, men or women, being treated in the best possible way in Canada. Now, under the circumstances, I feel that a guaranteed minimum salary of $1.25 an hour is not adequate but it is better than the present minimum salary.

In the provinces of Quebec, Ontario, Alberta, British Columbia and Saskatchewan, we see governments now introducing legislation providing for a minimum salary for workers, men or women, in other words, for all ordinary salaried people in this country. Now, we are in favour of that minimum salary, but, under no circumstances would we like to see the government intervene.

As I have already said and repeated outside the house, and I repeat it again here today, we are in favour of the development of the human person. If a man feels that his rights have been impinged upon, he should be entitled to an appeal, but no yokes or plans should be imposed upon him by our socialist friends—they are our friends in the house, but outside they are less so—or by Liberals with socialistic leanings; we are absolutely against that, and I consider that the Social Credit movement, that Social Credit in Canada—

An hon. Member: —is coming.

Mr. Caouette: —which suggests security, with freedom, for each and every Canadian citizen, would solve the unemployment, industrial and consumption problems, much better than these bills before us.

Just the same, we are in favour of a strict minimum salary for the whole population, for each and every Canadian citizen. We do not approve of any government intervention in order to control, but we do accept government intervention to help the human person to develop, according to his wishes and aspirations.

An hon. Member: Why then are you voting with the government?

(Text):

Mr. Lewis: Mr. Speaker—

Mr. Speaker: Is the hon. member asking a question or is he seeking the floor?

Mr. Lewis: I am asking for the floor.

Mr. Speaker: I recognize the hon. member for Athabasca.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, I am surprised that a bill purporting to give minimum wages to all employees under federal jurisdiction should be considered by anybody to be 100 per cent effective. When this type of bill was first introduced by the Bennett government it was severely criticized by many members of the house. It was finally declared ultra vires of the powers of the dominion government. I am ready to admit that the present bill jumps over that hurdle and what it purports to do is legislate only with regard to people under federal labour jurisdiction.

I suggest that this bill as it is outlined is far too wide. It purports to give minimum wage rates to everybody under federal jurisdiction; but when one reads the bill carefully, as I have, he finds it is couched in such general terms that it would in fact include almost everybody working in Canada. Where would the R.C.M.P. be in a bill like this? This is an undertaking under federal jurisdiction. Where would nurses in the federal hospitals come in, or trainees in both those noble services to our country? With regard to an R.C.M.P. recruit who is obliged to remain in barracks 24 hours a day unless he goes out on pass, is the hon. member for Winnipeg North Centre really suggesting he should be paid $30 a day? That is $1.25 an hour without overtime. Should he be paid overtime for this service? I do not think so. I am speaking from information received on this subject. It is necessary to devote your time and energy during training to the regulations, and you know the terms of your employment. I submit that this bill would purport to give an R.C.M.P. recruit $30 a day or more.

I rose in this house some years ago and suggested $1 a day for nursing students. My proposal met with no wide approval. It received no approval at all from the other side of the house, when hon. members opposite were sitting here. This was merely $1 a day for girls who devote 24 hours of their time each day to learning the art of nursing. They are under federal jurisdiction in the federal hospitals and the service hospitals.

I could not see my way clear to underwriting from the taxpayer's pockets a guaranteed minimum wage of $30 a day for nursing students, and I am surprised that people are ready to vote this amount of money when they were not prepared to give them $1 a day. Why the change? I suggest that this is one of those phony bills. It is put forward by an hon. member who has no responsibility to the people except those in his own riding, who has no responsibility to an overtaxed budget and who has not thought the matter through clearly.

Mr. Chairman, I have only picked on two categories, but I could go on down the line. In places where people are learning trades there are those who are not worth $1.25 an hour. I think anybody who has ever worked

anywhere would admit that there are people in any job who are not worth $1.25 an hour, or a guaranteed wage. I would be very, very careful in setting up any wage standards which would purport to provide that $1.25 an hour be paid regardless of the worker's effort.

I have another objection to this bill, that too often minimum wages become maximum wages. If we guaranteed $1.25 an hour for certain types of labour, this would tend to become a maximum wage, and although this bill says it would not prevent anybody getting better terms of pay, you cannot legislate minimum labour rates without affecting every other labourer in this country. I suggest that if, with regard to all jobs under federal jurisdiction, we were to set a minimum wage of $1.25 an hour regardless of whether they were worth that rate of pay, it would be very difficult for people in the primary industries, in farming, fishing or the woods, where there are small operations, to compete at all.

The United States, which is very highly organized in its labour field, have never seen fit to put forward this type of legislation at the levels we are asked to legislate at the present time.

Mr. Knowles: Is the hon. member sure of that?

Mr. Bigg: I am referring to the $1.25 an hour that it is suggested we put in operation. Not since—

Mr. Knowles: Mr. Speaker, would the hon. member permit a question?

Mr. Bigg: I have listened to your speech. I will allow you to ask a question at the end of my speech. I may not have time.

Mr. Knowles: Is the hon. member aware that in the United States there is such a movement?

Mr. Bigg: I am aware of the movement in the United States in this regard.

Mr. Speaker: Order. I think hon. members will realize that they cannot force a question or make a statement as an interjection without properly having the floor.

Mr. Bigg: Mr. Speaker, I am particularly surprised that this type of interference should come from the best known parliamentarian on procedure in Canada. This bill has such a general application and is couched in such general terms that one can hardly ascertain what it is really purporting to do; therefore I think it is fair to be very general in criticizing it. I say that, generally speaking, in the United States at the present time nobody has been so optimistic as to expect a higher minimum rate of pay than $1.15 an hour. I understand they are hoping to raise it to $1.25 an hour some time between now and 1965.

This is another of those bills, Mr. Speaker, which if put through without due thought might well price us out of the markets of the world. We have some difficulty in this regard already. One of our difficulties is to keep the cost of our primary products at a minimum. To obtain suitable farm labour is a serious problem today throughout the farming areas. I have been a farm labourer and I know that somebody going to the farm for the first time is hardly worth more than his board, until he learns to take part in the rural work. Certainly it was very difficult in the hard times of the thirties to find that type of work. He may well be learning his trade as a farmer, and if he is going to become a good farmer his time is well spent. With our very progressive farm policy it will be very few years before he is prepared himself, to take on the job of farming.

Mr. Speaker, in these few remarks I must say that, although I am completely in favour of minimum wages, where there are well thought out labour contracts for our industries, armed services, the mounted police and nurses in training—I am in favour of giving them more encouragement during their apprenticeships—I cannot approve the bill in this form. I would suggest this is no time to put it through in haste. There will be many opportunities later to attack the question of minimum wages, and I will then back any such well thought out plan.

Mr. A. J. MacEachen (Inverness-Richmond): Mr. Speaker, first of all I wish to associate myself with the remarks of my colleague from Hamilton East in the warm endorsation he extended to the principle of this bill. The hon. member for Winnipeg North Centre (Mr. Knowles) introduced a similar bill to the House of Commons in November, 1957 and I had the opportunity at that time to express my attitude and my support for the principle of a minimum wage. In doing so my support is consistent with the attitude of the national Liberal party of Canada, which is in favour of a federal labour code. This federal labour code will apply to industries under federal jurisdiction and work done under federal contracts. Such a code would establish a minimum wage, fix a maximum working week and determine vacations and statutory holidays as well as provide standards for health, safety and working conditions generally. Therefore, as a Liberal member I am pleased to applaud the initiative shown by the hon. member for Winnipeg North Centre. The purpose of the bill is clear. It is a basic, humanitarian purpose. The President of the United

States four years ago introduced a national minimum wage bill into the United States senate, and his comments underlined the humanitarian purpose of such a measure. Senator Kennedy said:

> I have shown the need for this bill in facts and figures. But that is not its only justification. When we permit the growth of a depressed class, numbering millions, whose members cannot afford the bare necessities of life, we pay a heavy price. We undermine the general prosperity of the nation which rests upon consumer purchasing power. We promote the spread of slums, of crime, of disease, of all the ills which grow from hopeless poverty.

I certainly share that humanitarian purpose. We have heard from hon. gentlemen opposite the traditional argument against efforts to raise the levels of remuneration through minimum wages and through collective bargaining. The argument is that any increase in wages is bound to affect employment prospects in the industry concerned. I thought that argument had become obsolete. Apparently it has not, but it is certainly not supported by any investigation which has ever been undertaken to find out the effects of increasing wage levels.

Another argument advanced this afternoon was that the bill would have no substantial benefits—that its enactment would have negligible effects. That is not true. I have hundreds of federal employees in my constituency and there are hundreds in other areas of Canada who would be immediately affected by the enactment of a bill increasing the minimum wage to $1.25. There are park employees working under the Department of Northern Affairs and National Resources who are at present receiving rates of wages considerably lower than the minimum provided for in this bill.

Mr. Muir (Lisgar): How long have they been there?

Mr. MacEachen: I do not intend to undertake any historical survey.

An hon. Member: Your government was in power.

Mr. MacEachen: So that is why things should not be changed? Well, we have really heard an expression of Toryism this afternoon. Stick with the status quo—change nothing. We on this side believe in change and reform. That is why we are supporting this bill.

What is the alternative to providing a national minimum wage? The alternative is to allow workers in this country to live on the fringe of society and in certain cases chained to unproductive occupations. If we take action to increase the national minimum wage we shall be providing an incentive for the development of more productive occupations of a kind which will provide them with a decent wage and a decent standard of living.

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, the bill before us today is substantially the same as the one debated last year and I still find myself talking about one particular point which in my opinion the draftsman of this measure did not take into account. I refer to the hon. member's desire to fix a minimum wage right across the country without regard to the factors which vary from one region to another.

Some hon. Members: Question.

Mr. Argue: Shame.

Mr. Speaker: If hon. members have anything to say, to get on record in *Hansard*, they might, perhaps, seek the permission of the Chair and get the floor, rather than make these extraneous comments from their places.

Mr. Argue: I wonder, then, if I might ask the hon. member whether he will conclude his remarks in time for a vote to be taken.

Mr. Nugent: When I have found something wrong in a bill, I do not think the hon. member would expect that with only one minute left I could educate such hon. members as himself with regard to the matter.

I was pointing out the fallacy behind the bill. It would set a minimum wage across the country without any regard to the varying conditions in different parts of Canada which cause wages to be lower in some places and higher in others. This point was touched on by some of the speakers who have referred to the present provincial legislation. I am sure anyone who has travelled across Canada has found a great difference in prevailing rates.

Some hon. Members: Six o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: Would the leader of the house kindly tell us the business for Monday and the course of next week?

Mr. Churchill: As I suggested this morning in answer to a question by the hon. member, the intention is to move into committee of ways and means on Monday, and we might continue in committee of ways and means during the course of the week if the house wishes to continue the debate.

Mr. Chevrier: In view of the special circumstances prevailing this session, will not the government give consideration to having the Minister of Finance take advantage of the provisions of standing order 58 to make his

statement on financial and economic affairs this week? This would afford an opportunity to the House of Commons to express an opinion on the financial policies of this government which otherwise will not occur in the current fiscal year.

Mr. Churchill: The proposal made at noon today would give every opportunity to the Minister of Finance to make a complete statement regarding economic conditions in Canada.

Mr. Chevrier: I do not know if I made myself clear. The standing order is 58. I think that would meet also the position which was under discussion this morning. Otherwise—and the leader of the house will correct me if I am wrong—no opportunity will occur in the current fiscal year.

Mr. Knowles: As Your Honour recalls, there was some discussion about the matter this morning, and it was agreed that representatives of the parties would see each other. We did not have lunch together; but as a result of the information communicated to us when we did get together I must on behalf of this group protest very strongly against the proposal which the leader of the house has now made.

Standing order 58 is one which can be used in the way the minister proposes; but knowing the history of this standing order, having been on the committee when it was revised, may I venture to say that, looking at it, it is clear that the intention is that when a minister of the crown is to make a budget presentation he does so with the Speaker in the chair on a motion to go into committee of ways and means. That is what is spelled out in Beauchesne, fourth edition, citation 267, which says:

> It is usual to make the budget speech on the motion for the house to go into committee of ways and means, but finance ministers have at times found it convenient to make it on the motion for committee of supply.

Nowhere in the authorities is there any suggestion that it is appropriate to have it in committee of ways and means. I observe that Your Honour is getting to the edge of your chair and I will therefore say no more at this time except that we register the strongest protest. We think the proposed course is unfair to the rights of parliament, and if it is proceeded with on Monday we shall protest at that time.

Mr. Speaker: The business of the house is a matter for the house leader. Since there is no motion before the Chair, I do not think we can conduct a debate on the propriety, one way or another, of a particular motion. I do not think we are going to solve the problem at this time. The argument which in part the hon. member was advancing at this time would have been germane at the time of the making of the motion. I am hoping that other members will not join in a similar type of argument at this time.

Mr. Chevrier: Mr. Speaker, I put a question to the house leader because it is pertinent to the discussion which will take place on Monday. I hope he has had an opportunity of looking at standing order 58 and I hope he is in a position to tell us whether he will proceed under that order.

Mr. Churchill: I just wish to say two things. The first is that the suggestions put forward by the hon. member for Laurier will receive careful consideration. I always pay attention to his suggestions.

The weakness of the position taken by the hon. member for Winnipeg North Centre is that with regard to this procedure he has offered criticism to which there is no right of reply at this stage. If on the announcement of the business of the house hon. members are going to offer criticism and record their views in *Hansard,* which is subsequently made available across the country, I think a right of reply surely should be available to the government side.

Mr. Speaker: It is for that reason that I rose to bring that discussion to a quick halt.

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

APPENDIX

SPEECHES AT UNITED NATIONS ON NUCLEAR WEAPONS TESTING

Statement by the Honourable Howard Green, Secretary of State for External Affairs of Canada, in the General Debate at the 17th Session of the General Assembly of the United Nations, September 25, 1962

Mr. President,

It gives me great pleasure to join with others in offering you congratulations on your election to the presidency of the general assembly. Your outstanding qualifications and wide experience in diplomacy, international law and in United Nations affairs will, I know, prove to be of great value at this important session.

Your appointment is a well deserved tribute to you and also to your country, Pakistan. Last week, the people of Canada were delighted to receive the President of Pakistan as a distinguished and highly respected visitor. His visit served to re-emphasize the excellent relations which Pakistan and Canada have always enjoyed.

I also wish to extend a very warm welcome to the four new members who were admitted to the United Nations last week. In Ruanda and Burundai the United Nations played an important role in bringing about the transition from trusteeship to independence. Canada had the honour of serving on one of the United Nations commissions during the preparatory period. Aided by a common bond of language, we now look forward to developing with these two countries the same close relationship which links Canada with the other French speaking countries of Africa.

The achievement of independence by Jamaica and by Trinidad and Tobago is an event of special significance and of interest for Canada not only because of our commonwealth association but also because of the historic ties which have existed for centuries between Canadians and the people of the West Indies. I am confident that these good neighbours of ours—the first new members incidentally from the western hemisphere—have a valuable contribution to make to the United Nations.

Last year when I spoke in the general debate, the United Nations was facing many grave issues, some of which actually threatened its survival. The atmosphere in the assembly as those representatives present today who were here a year ago will remember, was one of tension and anxiety. The whole future was uncertain—the future of this organization and the future of the world. May I suggest that the events of the past twelve months have not dispelled all the difficulties; but neither have they fulfilled the pessimistic prophecies of a year ago. We are living in a world when it pays to be optimistic. I do not believe that the pessimists will ever settle the problems that face the world and I believe that clearly, in this session of the general assembly we have a good deal more reason for hope than a year ago.

Laos

Here I should like to point out that there have been some gains in the complex international endeavour to strengthen the peace. For example, at the beginning of 1962 the situation in Laos seemed far from settled. By July international agreements providing for a unified, independent and neutral Laos had been signed in Geneva by the 14 nations attending that conference. Those nations included governments which did not recognize each other but which shared a common determination to face reality and find a solution. The result was a positive step toward peace and stability in southeast Asia.

Canada was one of the signatories of the Laos agreements and as a member of the international commission Canada was charged, along with India as chairman and Poland, with the task of seeing that the agreements are carried out. We intend to fulfil these responsibilities with fairness and diligence. I emphasize, however, that ultimate success in Laos will depend on the continuing support and co-operation of all the governments concerned. I think we can make Laos an example for the settlement of problems in other parts of the world.

A significant factor in the successful negotiations on Laos was the businesslike procedure evolved. In particular, the device of co-chairmanship proved its worth and the United Kingdom and the Soviet union deserve much of the credit for the result. I pay tribute to them today for their work as co-chairmen of that conference.

Disarmament

There is, furthermore, another area in which there has been some progress. After

a year of inactivity, steps forward were also taken in the field of disarmament. The United States and the Soviet union reached accord on a joint statement of agreed principles and laid it before the general assembly on 20 September 1961. This was followed by another advance—which I think should be considered a major advance—the establishment of the eighteen nation disarmament committee which began its deliberations in March of this year in Geneva.

This committee has two important advantages over previous disarmament forums. First, following the precedent of the Laos conference, it has the United States and the Soviet union as permanent co-chairmen and they meet together frequently to arrange agendas and try to resolve differences. I do not suppose that ever before have Americans and Russians spoken together on so many occasions and for such a long time as these co-chairmen have been doing in Geneva. And, of course, these great powers are the key to the whole problem of disarmament. If there is to be a settlement it must be reached primarily by these two nations. Second, the committee has as members eight non-aligned nations—Brazil, Burma, Ethiopia, India, Mexico, Nigeria, Sweden and the United Arab Republic. By their impartial and constructive approach to the intricate problems of disarmament, these eight nations have helped to advance the work of the conference. In the opinion of the Canadian delegation these eight nations have made a magnificent contribution at that conference.

For the first time since nations began to debate this all-important question of disarmament, the two major powers have put forward comprehensive treaty proposals. The committee has been examining these proposals for the past five months. One thing shown conclusively is that the dangers caused by the vast array of modern armament cannot be removed at one stroke or by adopting some simple formula. To reach agreement on general and complete disarmament requires the greatest effort and the most painstaking negotiation.

The fundamental problem of course is the distrust and suspicion which have sharply and tragically divided the world since the end of the second world war. Negotiating governments must make greater efforts to overcome this distrust and suspicion.

The committee in Geneva should play its part in this transformation. The Canadian delegation at Geneva has repeatedly emphasized that there are common elements in existing proposals which can be developed into significant measures of disarmament. What is required is a renewed endeavour to achieve acceptable compromises.

Canada welcomes the announced intention of the Soviet union to modify its proposals for eliminating nuclear weapons vehicles. In our view, this may help to remove the block to negotiations in Geneva which was created by the incompatible positions of the two sides on this particular question. Of course, we must reserve our final opinion on this modified Soviet position until we see the detailed amendments to the Soviet draft treaty; and, in addition, agreement on this key disarmament question will inevitably require careful examination in Geneva of all the related factors.

Early in the Geneva conference a committee of the whole was set up to deal with measures which could be put into effect quickly and would help to relieve international tension and create mutual confidence pending agreement on general and complete disarmament.

Among the subjects this committee has before it are: first, measures to prevent further dissemination of nuclear weapons; second, the reduction of the possibility of war by accident, miscalculation or failure of communications. In order to stop the arms race spreading to outer space, Canada has proposed in this committee that immediate action should be taken to prevent the placing of weapons of mass destruction in orbit. We urge that when the disarmament committee resumes its work redoubled efforts be made to reach agreement on the important questions which are before this collateral measures committee.

This assembly should bring to bear the full force of world opinion to ensure more rapid progress on disarmament. To achieve this we must, first of all here in New York, avoid propaganda exchanges on the question of disarmament. The whole issue could become a propaganda battle here in this assembly, and this would be a tragedy. We must also assess the possibilities for compromise on important points which are still in dispute. Finally, we must recommend as forcefully as possible—I would hope recommend with one voice—that the disarmament committee in Geneva renew its efforts at the earliest possible moment.

The commonwealth prime ministers meeting in London a few days ago recorded their unanimous conviction in this sense. That statement by the commonwealth conference was very significant because the 15 nations there represented all the continents of the world. I quote from the communique:

"The prime ministers agreed that the need for disarmament had been intensified by the steady development of ever more powerful weapons. They reaffirmed the principles laid

down in their statement on disarmament on March 17, 1961, and expressed their conviction that the eighteen nation disarmament committee at Geneva should continue its efforts towards a treaty for general and complete disarmament in accordance with these principles. They noted that discussions on the cessation of nuclear weapons tests had also been taking place in Geneva and expressed the hope that these efforts would be successful in bringing into being an effective treaty to eradicate this source of fear and danger to mankind."

The eighteen nation committee is responsible for detailed negotiations and only through its continued efforts in Geneva can progress toward disarmament be realized. That is why we must, as the distinguished representative of Norway stated here a few days ago, "... give encouragement and guidance to the negotiating nations in Geneva". I point out that all members of the United Nations have a fundamental obligation to assist in every way in ensuring that agreement on this vital subject is reached without delay. The world simply cannot afford the risk of failure.

Nuclear Weapons Tests

In the disarmament talks at Geneva and in this general assembly, it has been made very clear that the problem of nuclear weapons tests is of the gravest concern to all members of the United Nations. My government maintains its firm opposition to all nuclear weapons testing, for two reasons.

First, we are convinced that continued testing poses an ever increasing danger to human health. Of this I shall say more presently. Second, the ultimate security of mankind is weakened, not strengthened, by further testing. No matter what considerations may lead the major powers to undertake nuclear tests, their effect can only be to accelerate and to make even more perilous the race in nuclear armaments. The powers concerned must not ignore the fact that the arms race itself gives rise to fears which in turn become a factor in intensifying competition in armaments.

I believe that these fundamental points are not in dispute. But the tests have still not been stopped. The proposals submitted by the eight uncommitted countries at Geneva, and the new technical data advanced recently by the United States and the United Kingdom, have opened new opportunities for agreement.

The Canadian government strongly supports the proposal, originally made by the Mexican delegate to the eighteen nation disarmament committee, that a target date, January 1, 1963 —and I wish it could have been earlier— should be set for the cessation of all tests. This date has been accepted in principle by the United States, the United Kingdom and the Soviet union.

As a minimum first step, agreement could be reached immediately on the final cessation of nuclear tests in the atmosphere, under water and in outer space. To have a comprehensive treaty, of course underground tests must be included. The question barring agreement on such a treaty is whether the parties shall be obligated to permit inspections on their territories when other means of determining whether there has been an underground nuclear explosion fail to give a definite answer. This is a difficult problem involving dangers to the security of the nations concerned, but the dangers which result from the lack of solution are immeasurably greater.

If the great powers cannot reach agreement on this issue, prospects for general and complete disarmament will be dim indeed. They can and must resolve their differences in this field if they are to fulfil their obligation to mankind. The general assembly should clearly express itself in this sense.

Radiation

I revert now to the hazards to human health created by nuclear testing. The second comprehensive report of the United Nations scientific committee on the effects of atomic radiation brings out the danger very clearly in the following statement—and I quote from this scientific report:

"As there are no effective measures to prevent the occurrence of harmful effects of global radioactive contamination from nuclear explosions, the achievement of a final cessation of nuclear tests would benefit present and future generations of mankind."

That is the objective language of a scientific report tabled just a few months ago. The dangers involved are immediate. They affect us now and what is even more important, they will affect future generations.

In order to assess these dangers properly, the assembly must continue to insist on a co-operative world wide study. Last year's resolution on the subject reaffirmed the desirability of continuing full international co-operation through the scientific committee. The latest report of the committee constitutes an authoritative and up to date assessment of the exposure of mankind to radiation and of its harmful effects.

In the resolution of last year, the general assembly called for a study of a world wide synoptic reporting scheme of atmospheric radiation levels. I have been greatly encouraged by the progress made by the world meteorological organization in preparing

such a scheme. It is our hope that its implementation on a world wide basis will soon be initiated.

The Problem of Want

Now I come to another question. Disarmament deserves high priority in our deliberations because it seeks to remove the means of waging war. The acting secretary general has emphasized in his annual report the need to eradicate the basic causes of war—poverty, famine and disease. The economic and the social work of the United Nations goes along so quietly that it does not always receive the public attention it deserves. And yet success in raising living standards in the less developed areas and in expanding and stabilizing world trade may, in the long run, determine the question of war and peace.

The role of the United Nations in providing an effective framework for economic and social development is well established. There will, I am sure, be no disagreement over the importance of the various assistance programmes. These essential activities must be adequately supported. In the decade of development we should strive to make increasingly effective use of existing institutions. For its part, the Canadian government will continue to support these United Nations efforts and at the same time to maintain our bilateral aid programs.

The promotion of sound trading conditions is at least as important as the provision of aid. In fact, the recent commonwealth conference considered that question and they had this to say: ". . .improved opportunities and conditions for trade are even more important than financial aid". That was the unanimous opinion of all the countries represented.

Canada has sought in the United Nations and outside to promote international arrangements and institutions—for example, the general agreement on tariff and trade—which would encourage the expansion of trade on a multilateral and non-discriminatory basis. This will be our attitude in examining the economic and social council's recommendation for a conference on trade and development in 1964.

Such a conference will provide one opportunity for a discussion on strengthening the world trading system. While some problems can be dealt with only in a world wide forum other aspects of trade can be examined usefully by countries whose trading systems—and hence trading problems—are most alike. For example at the recent commonwealth meeting Canada proposed an early conference of a group of countries to discuss their common trading problems. Such a conference would in fact help to prepare the way for wider, non-discriminatory tariff negotiations on a most favoured nation basis.

Commonwealth and Emerging Nations

I should like to say a few words now about the commonwealth and emerging nations. In London we welcomed four countries that have joined this family of free and independent nations within the last year—Sierra Leone, Tanganyika, Jamaica and Trinidad and Tobago. This brought the number of nations participating fully in the commonwealth conference to a total of 15. All but four—those four are the United Kingdom, Australia, New Zealand and Canada—have become independent since the second world war and in each case they have chosen of their own free will to become members of the commonwealth. In addition, there were representatives present from other territories such as Uganda, Kenya and British Guiana which will shortly obtain independence and will in all probability choose to join the commonwealth and, of course, the United Nations. I believe Uganda will be gaining independence in a matter of weeks.

The commonwealth of today is an inspiring example of friendly association of nations of diverse races, cultures, creeds and political institutions. Its members may be divided in their approach to some questions, but they are solidly united in their dedication to the cause of peace and to the promotion of better understanding.

Great credit for this outstanding achievement in international co-operation and for the successful launching of these new nations must be given to the United Kingdom. All other nations of the commonwealth—including Canada, although it is a long time ago in our case—were at one time colonies, and in their progress to nationhood the United Kingdom has given generously and wisely of its aid and guidance.

This being the case, I find it very hard to understand the bitter and sometimes unfair attacks which, from time to time, are made against the United Kingdom on the subject of colonialism. We all know that there are difficulties to be overcome in some territories, but surely the United Kingdom's record of past accomplishment in this field justifies confidence in its intention to guide these peoples to independence.

Unhappily, from this very rostrum and in debates in many other United Nations bodies, the Soviet union has painted quite another picture of these colonial developments. Soviet spokesmen have chosen to disregard peaceful

evolution in the commonwealth where freedom and independence have become a living reality for 600 million people since the second world war.

Canada's own part in developing the commonwealth prompts us to reject the Soviet union's criticisms and its claim to be the champion of freedom and independence for subject peoples. Sometimes I marvel at the nerve of the Soviet union representatives in making that claim.

We urge that the United Nations should view the Soviet attack in proper perspective. In 1960, the Prime Minister of Canada reminded the general assembly about the position of subject peoples within the Soviet empire. Many millions there cannot today exercise the right of self determination which the Soviet government demands for others.

The denial of human rights and fundamental freedoms casts grave doubts on the Soviet union's whole position on colonialism. When the United Nations is examining situations in many other areas of the world, it should not ignore the areas under Soviet rule. The charter principles on human rights and self determination are clearly intended to be universal in their application.

Peace Keeping Operations

I have been dealing with some of the main issues before this assembly. I turn now to a set of problems which vitally affect the future of this organization.

Of fundamental importance are the United Nations peace keeping operations in the Middle East, in the Congo and now in West New Guinea. Canada contributes men and resources to all these operations and regards this contribution as a prime responsibility of membership.

In the Congo, the United Nations has assumed its heaviest responsibility. The secretary general's program for national reconciliation there has been favourably received by the parties principally concerned and Canada is encouraged to hope that this plan will go forward smoothly. The elements of success in this difficult situation are a willingness on the part of the Congolese themselves to resolve their difficulties and a readiness on the part of all other states to support the program.

In this connection, the commonwealth prime ministers had this to say—and I think it is important coming from that conference—"They took note, in particular, of the proposals relating to the Congo which were recently put forward by the acting secretary general of the United Nations, and they expressed the hope that these would prove to be the basis for a speedy and constructive settlement."

The task which the United Nations undertook in the Congo was one which it simply could not shirk. Members of this assembly need hardly be reminded, however, that one consequence has been a financial crisis verging on bankruptcy. Canada has supported ad hoc measures for meeting immediate financial needs but we have also consistently sought to place the financing of United Nations peace keeping operations on a solid foundation. We have urged that the basis should be collective responsibility.

For this reason, the Canadian government welcomed the advisory opinion of the international court of justice on July 20 which confirmed that the costs incurred for the United Nations emergency force and the Congo force were "expenses of the organization" within the meaning of Article 17 of the charter. This authoritative opinion should be endorsed by the general assembly and should form the basis for financing peace keeping operations. After all, advisory opinions of the court ought to be fully respected in the interests of establishing international rules of order.

Basing ourselves on the principle of collective responsibility, we must find a formula for apportioning peace-keeping costs because this organization has to be in a position to fulfil its charter purposes.

Stability in The United Nations

It is equally clear that the chief executive of this organization should have wholehearted support in the discharge of his responsibilities. Our distinguished acting secretary general has shown great courage, great patience and great wisdom during the course of his interim term of office—which remember, began at a time when confusion reigned in United Nations affairs. During the past year he has given leadership which has restored confidence to the organization.

The underlying need in United Nations affairs is for stability. In these turbulent times, governments require a steady base for international co-operation and for quiet diplomacy. Most people of the world look hopefully to the United Nations to point the way and provide the means to these ends.

A significant element in achieving stability and a capacity to act effectively is to develop orderly procedures. Our distinguished past president has made some interesting and useful suggestions for improving assembly procedures. I welcome the decision to inscribe an item on this subject, and I hope some solution will be worked out.

The greatly increased membership of the assembly and the length of recent sessions give added urgency to the need for the most

efficient working methods. The speed and the efficiency with which we carry out our work is an important factor in determining the degree of public support for the United Nations.

In conclusion may I express my firm conviction that the United Nations has emerged from the uncertainty which clouded the sixteenth session. Confidence and stability are being restored. The atmosphere in the present assembly is favourable for constructive work.

We now have an opportunity to respond to the improved situation by dealing firmly with the main issues before us. We must take encouragement from the recent progress, however gradual toward peace. We must maintain a steady United Nations course in that direction, conscious of the undercurrents of danger in our troubled world but confident that we can control them.

We live in an age in which there have been several very important developments.

First, there has been the greatest spread of self government in the history of mankind.

Second, there has been the greatest interest in helping developing nations. Most of that interest is idealistic and unselfish. I admit that there is some selfishness in it but primarily it is idealistic and unselfish.

Third, there is the greatest friendliness and understanding among peoples. What a great thing it is for a foreign minister to come here and be able to talk to 30 or 40 other foreign ministers, as well as distinguished representatives of other grades. Never has there been such an understanding of problems and views of other nations.

Fourth, we live in an age in which there has been the most widespread desire for peace of all time.

Each of these four developments has been brought about largely by the work of the United Nations—by the work of this organization. If we keep this fact in mind and retain our optimism and our hope, this session will be the best in the history of the United Nations.

Text of a Statement on the Cessation of Nuclear Weapons Tests Delivered October 11, 1962, in the First Committee of the United Nations General Assembly by the Canadian Representative, Lt. Gen. E. L. M. Burns

Mr. Chairman,

In the opinion of the Canadian delegation, there is nothing before this assembly which is more urgent or fateful than the question of how to put a final stop to the testing of nuclear weapons. This is an object for whose achievement all members of this organization should stand united, for all of us will suffer if these experiments continue. The United Nations general assembly cannot legislate an end to nuclear tests, but it can and should use the immense moral force of its decisions to press for a speedy solution of the problem.

Mr. Chairman, my government remains unequivocally opposed to all nuclear weapons tests. That virtually all delegations also oppose them has been made clear by statements which we have listened to in the general debate in plenary. This can be taken as proof that nuclear testing is opposed by the vast majority of men and women all over the world.

Canada is opposed to further testing for two good reasons. In his statement in general debate, the Secretary of State for External Affairs emphasized that, first of all, we are gravely concerned by the dangers to human health which result from nuclear testing. In our view, which we believe is supported by scientific findings, the bodily health of everyone is endangered by exposure to additional radiation. But what is more disquieting, increased radioactivity resulting from nuclear tests can have incalculable effects on future generations. This generation would therefore perpetrate a grave moral wrong on posterity by continuing nuclear testing.

It may be said that from the humane and moral standpoint, these arguments are sound, but that, if considerations of defence and national security require them, nuclear weapons tests must go on, notwithstanding their undesirable effects. But does continued testing improve the security of any nation? In the short term, it may be claimed that nuclear testing is required in order to effect or restore a balance in weapon power. But is there any reason to think that national security can be maintained over the years in this way? In my view, there is not. A protracted competition in this sphere—between super-powers already armed to a degree hardly imaginable —can only increase international tensions, and the ultimate danger of nuclear war.

The major nuclear powers are themselves in agreement that continued testing increases the pace of armaments race. In a joint statement released last August 27 by the Prime

Minister of Great Britain and the President of the United States we read the following sentences:

"The United States and the United Kingdom cannot emphasize too strongly the urgency we attach to the problem of ending all nuclear testing once and for all. For the safety and security of all of us, this deadly competition must be halted and we, again, urge the Soviet government to join with us in meaningful action to make this necessity a reality."

The chairman of the council of ministers of the U.S.S.R. has been equally firm in spelling out the grave consequences of continued testing. In a letter addressed by him to Prime Minister Macmillan in April of this year he wrote as follows:

"Throughout the world the people are justly expressing their indignation not only because nuclear tests lead to the fouling of the atmosphere and may in some degree have a harmful effect on peoples' health and their moral and physical condition, but also—and this is the most important point—because the race to build up nuclear weapons will be accelerated even more by the new series of experimental nuclear explosions."

Clearly then the dangers of further experimentation in this field are admitted. It may have grave effects both on our own health and on future generations; it is ultimately a threat to the security of mankind; it increases international tensions and reduces the possibility of agreements in other fields. If this is the belief of the leading statesmen of the nuclear powers, why can they not stop the tests? But it is not only the responsibility of the nuclear powers; nuclear testing affects all nations; to deal with it is the responsibility of all of us represented here. Can we not, as rational beings, act in our own interest?

The advantages of a test cessation agreement are many. Such an agreement would not give a special advantage to this or that country or alliance, but would be in the interest of all humanity. Let me summarize the truly impressive gains which a nuclear test ban agreement would achieve:

First, as the major powers themselves recognize, it would significantly reduce radiation hazards and improve international security.

Second, it would inhibit the development of more and more destructive nuclear weapons.

Third, it would arrest the development of nuclear weapons by an increasing number of nations, a danger whose gravity can be recognized by all, and one may say, especially by the present nuclear powers.

Fourth, it would be a start on disarmament. My delegation entirely endorses the view expressed by the acting secretary general in the introduction to his annual report, in which he emphasized that the first step toward disarmament is to stop nuclear testing. We share his sincere hope "that the nuclear powers will realize that the whole world is hoping and praying than an agreed first step may be taken soon".

In short, an agreement to end nuclear weapons tests would be a first clear proof that the many declarations by the great powers that they want to end the arms race are not mere words, but will result in real and effective action.

I have reviewed so far the weighty reasons in favour of putting a stop to nuclear tests. In my opinion these factors, taken together, should convince every rational man that the need for a solution is urgent. It remains, however, to devise practical means of achieving this goal. In recent months several suggestions have been made which, my delegation believes, should be endorsed by this assembly.

In the first place, we strongly support the proposal put forward in the eighteen nation committee for an early cut-off date by which all testing would be ended: January 1, 1963 or, we would hope, earlier. Acceptance by this assembly of a target date should provide added incentive to speedily resolve remaining differences.

Second, Canada endorses the proposal for an immediate ban on all testing in the atmosphere, outer space, and underwater. Such a proposal is common to the draft treaties advanced by both sides, and an agreement would be a substantial step in the direction of a comprehensive ban. It would greatly reduce or even remove the health hazard resulting from nuclear testing. Moreover, differences over inspection do not constitute a barrier to agreement in this field.

Third, my delegation wishes to underline the importance we attach to the contribution of the eight unaligned nations represented at the Geneva negotiations in putting forward compromise proposals on a verification system. The Canadian delegation has taken the stand at the eighteen nation conference —and we reaffirm it now—that the eight nation proposals provide a sound basis for an agreement satisfactory to all concerned. A system based on existing national networks of observation posts with new posts if necessary; an international scientific commission to process and examine data from these stations; and the obligation of states parties to the agreement to furnish the facts necessary to establish the nature of any suspicious event on their territory—these are the main elements of the eight nation proposal which we believe should be incorporated, without further delay, in a draft treaty for ending all nuclear tests.

Agreement on these points would narrow the differences separating the two sides to one major question: What is to be done if there is a dispute as to the nature of an event which has taken place in the territory of one of the parties to the agreement? It appears from new scientific data submitted last August at Geneva by the United States and Great Britain that the area of uncertainty where doubtful events could arise has been considerably reduced. Nevertheless, controversy persists over the question of how to verify that no underground testing takes place. Technical problems which have been raised in the examination of this subject could not usefully be discussed in this committee. However, there is a fundamental matter of principle which my delegation is firmly convinced must be borne in mind by the nuclear powers in their negotiations in this field.

It is agreed, I think, that no foreseeable inspection system will fully meet the preoccupations of all parties to a test ban agreement. What is needed then is a reasonable assurance that their interests will be protected. But this criterion cannot be applied exclusively to the risks which may be inherent in the treaty itself; it is equally important not to lose sight of the grave risks which humanity continues to run in the absence of such an agreement.

It has been alleged, for example, that a verification system involving on site inspection could mean that espionage data would be collected by the inspectors. In my opinion, the possibility that the international inspectorate could be used in this way is exceedingly remote. I cannot believe that the Soviet union would seriously contend that this risk compares in any way with the dangers which they themselves agree are inherent in continued testing.

It is also argued that the risk of a state evading its obligations under a nuclear tests agreement must be reduced to a minimum. My delegation fully recognizes the importance of this requirement, since a treaty which would not give assurances that states were living up to their commitments would be cause for continuing concern and tension rather than diminishing these factors as an effective agreement is intended to do. But the risk of evasion should also be balanced against the dangers mankind must live with in the absence of an agreement. If it is feared that states might sign an agreement and later conduct secret tests, the nuclear powers must not only ask themselves whether this risk is acceptable in principle. They must also assess with equal care whether the military significance of such evasions would be greater or less than the dangers to health and security resulting from continued testing and an accelerated arms race.

This balance of risks and advantages has to be kept in mind in order that the negotiating parties may assess the real significance of possible espionage or evasions. As long as the negotiators concentrate their attention on the disadvantages to their security which might result from a particular system of inspection, it is doubtful whether any real progress is possible. But when these disadvantages are seen in their proper perspective, against the graver prospects of continued testing, the necessary conditions will exist to bring an effective test ban to reality. If the negotiating parties can readjust their thinking in this way, new compromises, acceptable to both sides, could be achieved without delay.

In conclusion, Mr. Chairman, let me review briefly the main considerations which will guide my delegation in dealing with the questions to be decided under the present item:

First, we wish to see a halt—by January 1, 1963 or earlier—to all nuclear weapons tests;

Second, as a means of achieving this end, we support the proposal for an immediate test ban in the atmosphere, outer space and underwater;

Third, we desire an effective international agreement which will provide assurances that no further tests are carried out and that all states live up to their obligations under the treaty. We are convinced that these objectives demand urgent attention, and we sincerely hope that this committee will act quickly and forcefully to assist in their realization. I can assure you, Mr. Chairman, that the Canadian delegation will give its full support and active co-operation in this endeavour.

HOUSE OF COMMONS

Monday, October 22, 1962

The house met at 2.30 p.m.

CIVIL SERVICE ACT

AMENDMENTS RESPECTING WITHHOLDING OR REFUSAL OF RIGHTS

Mr. Jack McIntosh (Swift Current-Maple Creek) moved the first reading of Bill No. C-69, to amend the Civil Service Act (bureaucratic oppression).

Some hon. Members: Explain.

Mr. McIntosh: Mr. Speaker, I have reason to believe that some officials of the government by virtue of their office have on occasion knowingly deprived certain citizens of their rights declared under provisions of the Canadian statutes. I believe these officials have knowingly withheld these rights or refused the implementation of these rights until the citizens have been bent to the officials' will.

At present there is no penalty for such bureaucratic oppression. This bill will provide a penalty if guilt of such action can be established.

Mr. Speaker: I am glad the hon. member got to the purpose of his bill.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PHYSICAL FITNESS PROGRAM EXPENDITURES

Question No. 75—**Mr. Thompson:**

1. Since March 1, 1962, what total amount has been spent by the federal government on the national physical fitness program?
2. What payment has been made to date to each province as (a) basic grant (b) per capita grant?
3. What projects have been undertaken by the federal government under the physical fitness program?
4. What projects have been undertaken by each province?

Answer by: **Mrs. Casselman:**

1. Expenditures under the Fitness and Amateur Sport Act from March 1 to September 30, 1962, were $682,532.

2. Grants made to provinces were—

	(a) Basic Amount	(b) Per Capita Amount	Total
Newfoundland	$ 15,000	$ 1,779	$ 16,779
Prince Edward Island	15,000	400	15,400
Nova Scotia	15,000	2,810	17,810
New Brunswick	15,000	2,289	17,289
Ontario	15,000	23,898	38,898
Manitoba	15,000	3,531	18,531
Saskatchewan	15,000	3,509	18,509
Alberta	15,000	5,174	20,174
British Columbia	15,000	6,247	21,247
Yukon	15,000	57	15,057
Northwest Territories	15,000	91	15,091
Total			$ 214,785

Questions

3. Projects assisted through direct federal grants to agencies since March 1, 1962 are as follows:

1. Amateur Athletic Union of Canada:	
(a) Boxing. To participate in the United States championships	$ 1,000
(b) Fencing. To participate in the United States championships	500
(c) Gymnastics. (i) To participate in the United States championships	2,000
(ii) To participate in the world championships	8,000
(iii) To hold five coaching schools in Canada	5,000
(iv) To participate in the Canadian championships	5,000
(d) Track and field athletics. To develop a national standards plan	2,000
(e) Weightlifting. (i) To send a team to the world championships in the United States	1,500
(ii) Additional grant when the world championships were relocated in Budapest	750
(f) Wrestling. To send a team to the world championships in Toledo, U.S.A.	1,500
(g) National championships. To conduct national championships in track and field athletics, handball, fencing, weightlifting and wrestling	16,677
2. British Empire and Commonwealth Games Association of Canada: To participate in games to be held in Australia in November	30,000
3. Canadian Amateur Basketball Association: (a) To improve coaching standards; (b) To assist in conducting a national instructors' school	5,000
4. Canadian Amateur Ski Association: To conduct a cross-country ski instructors' school	5,000
5. Canadian Amateur Speed Skating Association: To promote speed skating in Canada	8,000
6. Canadian Amateur Swimming Association:	
(a) To send Miss M. Stewart to the United States championships	350
(b) To send teams to compete in United States events	3,000
(c) To conduct coaches' clinics	350
(d) To conduct final training sessions for the British Empire and Commonwealth games	750
7. Canadian Association of Amateur Oarsmen: To send crews to the world championships in Lucerne, Switzerland	10,000
8. Canadian Amateur Badminton Association: To assist in holding the Canadian championships in Montreal	1,500
9. Canadian Canoe Association: To send a team to the world championships in Essen, West Germany	1,800
10. Canadian Civilian Association of Marksmen: To send a team to the world championships in Cairo, Egypt	15,000
11. Canadian Field Hockey Association: (a) To organize east-west championships in Toronto; (b) To send a team to the international matches in New York	1,900
12. Canadian Ladies' Golf Union: (a) To extend the junior development program; (b) To send a team to national and international competitions	10,000
13. Canadian Lawn Tennis Association: To conduct developmental programs	18,000
14. Canadian Table Tennis Association: To assist four provincial teams to compete in the national championships	750

[Mrs. Casselman.]

Questions

15. Canadian Volleyball Association:

To strengthen the organizational structure of the association 1,500

16. Royal Canadian Golf Association:

To send a team to the world championships 5,000

17. Rugby Tours Committee of Canada

To send a team to compete in the British isles 10,000

18. Canadian Ski Patrol

To expand and develop the ski patrol system 9,000

19. Canadian Youth Hostels:

To establish a national administrative headquarters 10,000

20. Young Men's Christian Association:

(a) To extend the offerings of the physical education leaders' training camp 1,3900

(b) To extend the offering of the annual Young Men's Christian Association physical director's skill school 5,038

21. Young Women's Christian Association:

(a) To assist in the provision of a refresher course for health and physical education staff; (b) To assist in the provision of a leadership course for present and potential staff 21,810

22. Canadian Wildlife Association:

To establish a national office in Ottawa 20,000

23. Royal Canadian Legion:

(a) To provide a ten-day track and field clinic for coaches; (b) To organize the national track and field championship 50,000

24. Canadian National Exhibition:

To conduct a national fitness festival at the Canadian national exhibition in August, 1962 50,000

25. Calgary Olympic Development Association:

To assist the association in its bid for the 1968 Olympic games to be held at Banff national park, Alberta 35,000

26. University of Ottawa:

(a) To assist fitness research 12,732

(b) To establish and maintain in co-operation with UNESCO, a research information centre in respect of fitness and amateur sport 5,000

27. University of Alberta:

To assist fitness research 17,750

28. University of Montreal:

To assist fitness research 16,600

29. Scholarships and fellowships:

Postgraduate scholarships and fellowships in the field of fitness and amateur sport in an amount of $72,350, have been granted to 39 persons. Of this total amount there has so far been expended ..... $ 41,600

Total $467,747

Questions

In addition to the above, projects undertaken through direct federal grants totalling 15,285

To agencies in February, 1962, were as follows:—

1. Canadian Amateur Ski Association:
   To assist in sending a team to the European championships $9,785
2. Canadian Wheelmens' Association:
   To assist in sending a team to the Tour de France de l'Avenir .. 5,000
3. Canadian Amateur Speedskating Association:
   To assist in sending a competitior to the world championships in Moscow 500

Total of direct federal grants $483,032

4. The provincial governments have not yet submitted projects for approval under the Fitness and Amateur Sport Act.

A federal-provincial conference was held in Ottawa on September 28, 1962 for the purpose of discussing a draft agreement. Following the signing of such an agreement a province may submit projects for approval and reimbursement.

FRASERVIEW HOUSING PROJECT, VANCOUVER

Question No. 84—**Mr. Laing:**

In connection with Fraserview veterans' housing development in Vancouver:

1. How many houses are involved in this development?
2. What was the total cost of all services installed and houses built in this project?
3. When was construction started, and when was the last house completed?
4. What was interest rate of the money advanced to Central Mortgage and Housing Corporation for this project?
5. What rate of depreciation has been charged against (a) the houses (b) the services, since completion?
6. Since inauguration of the project, what total rentals have been received by C.M.H.C.?
7. Since inauguration, what total taxes have been paid the city of Vancouver under the agreement?
8. Since inauguration, what has been the total expenditure in repairs and maintenance of this project?
9. Are the houses being offered for sale and, if so, at what prices, by plan?
10. How many houses have been sold to date?
11. Since inauguration of the project, what has been the total of uncollected rents?
12. What are the conditions of sale, e.g., down payment, mortgage grant and at what rate of interest, over what period, etc.?
13. Have any circulars been issued to tenants cautioning the installation of improvements and advocating early purchase?
14. Have any houses been withheld from rental in anticipation of sale?
15. How many houses are at present unoccupied?
16. In how many instances has property been recovered for default in payment?
17. Have any rentals or sales been made to persons who are not veterans?

Answer by: **Mr. McCleave:**

(1) 1137 houses constructed
9 existing houses on site

1146 total.

[Mrs. Casselman.]

(2) Cost of land .....$ 1,202,389.62
Cost of all services 2,241,751.65
Cost of houses 7,896,311.02

Total .....$ 11,340,452.29

(3) Construction started on July 16, 1949. The last house was completed on November 9, 1953.

(4) This project was financed under section 37, N.H.A. at a borrowing rate of 2 per cent per annum.

(5) The annual rate of depreciation charged against houses and services since completion is 2½ per cent straight line.

(6) It is not possible to provide the information requested in this part because the accounting has been on an over-all branch basis with reference to single houses and not on a project basis. Nor is it possible to recreate the accounting on a project basis because records have been destroyed from time to time in accordance with the policy relating to such matters, as the retention period for the various classes of documents involved has expired.

(7) Total taxes paid to the city of Vancouver from 1950 to 1962—$1,541,051.38 as determined by city records.

(8) See answer to (6) above.

(9) All houses in this project have been on sale since May 1, 1959 at the following prices: 4 room small bungalow without basement, $8,300; 4 room large bungalow without basement, $8,600; 4 room small bungalow with basement, $8,800; 4 room large bungalow with basement, $9,400; 5 room 2-storey with

basement, $9,500; 5 room bungalow without basement, $9,800; 5 room bungalow with basement, $10,600; 5 room 1½ storey semi-basement, $10,700; 5 room 1½ storey with basement, $10,800; 6 room 1½ storey with basement $10,900. Existing houses, $6,000—$9,800.

(10) 409 constructed houses and 6 existing houses have been sold to October 1, 1962.

(11) See answer to (6) above.

(12) Conditions of sale are: Down payment —5 per cent of sale price. Interest rate—The National Housing Act rate in effect at time of sale, which is currently 6½ per cent. Term of mortgage—maximum 25 years. Rebate: $1,000 added to the amount of the sales prices which are listed in answer to (9) above, to be earned over 5 years at the rate of 1/60th for each completed month of occupancy.

(13) Yes.

(14) Yes.

(15) As at October 2, there were 16 houses unoccupied. Of this total, 7 houses became vacant on September 30.

(16) One.

(17) No.

*FITNESS AND AMATEUR SPORT—EXPENDITURES

Question No. 85—**Mr. Roxburgh:**

1. How much of the $5,000,000 authorized for the fiscal year 1962-63 to encourage, promote and develop fitness and sport has been spent or allocated to date? What amount, if any, has been granted to each province to date by the national advisory council on fitness and amateur sport?

2. If a grant or grants were made, what part of each grant or grants to each province was spent on capital equipment for sporting facilities, and what part or parts went to pay for services?

3. Has the government any existing definite plan to promote the development of permanent sporting facilities such as stadia, track and playing fields, swimming pools and so forth?

Mrs. Casselman: 1. (a) Expenditures under the Fitness and Amateur Sport Act from April 1 to September 30, 1962, were $439,578.

(b) A total of $250,000 was made available to the provinces in the form of planning and organization grants at the commencement of the fiscal year. Of this amount $214,785 had been paid to the provinces by September 30, 1962, and all provinces had received the grant except the province of Quebec from which a request has not yet been received. The amount paid to each province concerned is as follows:

	Questions
Newfoundland	$16,779
Prince Edward Island	15,400
Nova Scotia	17,810
New Brunswick	17,289
Ontario	38,898
Manitoba	18,531
Saskatchewan	18,509
Alberta	20,174
British Columbia	21,247
Yukon	15,057
Northwest Territories	15,091

(c) A second allocation of $250,000 is now being made available to the provinces, subject to their signing agreements with the federal government, for expenditure under the terms of and for the objectives prescribed by the Fitness and Amateur Sport Act. Each province will be eligible to receive the same amount as under the planning and organization grants.

2. The grants made and referred to in answer 1(b) were for planning and organizational purposes in developing programs and were not for expenditure on capital equipment.

3. The question of providing facilities under the new program has been discussed at the meetings of the national advisory council on fitness and amateur sport and of the federal-provincial conferences. Emphasis has been on the questions of provincial and regional facilities. The Atlantic provinces have been discussing the possibility of a regional coaching and leadership training centre for their area and the federal government has made provision in the federal-provincial agreements for pooling funds for such joint projects. The question of provincial and regional coaching and leadership training facilities will be the subject of further discussions with the provincial authorities interested in developing such centres.

In the case of local facilities government policy has been to encourage the use of the municipal winter works program to assist in the construction of recreational and sports facilities rather than to use funds under the fitness and amateur sport program at this stage in the development of the program. In the fiscal year 1961-62 some $3.8 million in federal funds were spent in this manner for projects involving a total expenditure of some $15 million. This program has the dual advantage of increasing seasonal employment and developing sports and recreational facilities. The department has prepared a booklet on swimming pool facilities to be distributed this year to assist communities which plan to build these facilities. It may be that the department can be of assistance in respect of other projects, and close liaison is being maintained with the Department of Labour in connection with this aspect of the winter works program.

Mr. Speaker: Order. In the event that there should be any further replies of the length we have now had, perhaps hon. ministers and

those persons replying would seek the co-operation of the house in having the answer printed as though read; otherwise we will be here a long time.

VALLEYFIELD, QUE.—REMOVAL OF R.C.M.P. OFFICES

Question No. 91—**Mr. Laniel:**

1. Has the Minister of Justice received a resolution, addressed by the chamber of commerce of Valleyfield, stating how regrettable the decision was of the department to move the Royal Canadian Mounted Police offices from Valleyfield to Huntingdon?

2. Would the minister tell the house the grounds on which such a decision was reached in view of the fact that the other federal government services are already located at Valleyfield and that the city has the only court of justice in the area?

Answer by: **Mr. Bell (Saint John-Albert):**

1. Yes.

2. Action was taken in this respect solely in the interests of administrative efficiency and necessary economy.

LANDING STRIP, ANTIGONISH AREA, N.S.

Question No. 95—**Mr. Stewart:**

1. Have officials of the Department of Transport had correspondence or conversations with any person or persons concerning either the public or private construction of a landing strip or other aeronautical facility in the Antigonish, Mulgrave, and Port Hawkesbury areas of Nova Scotia?

2. If so, with whom, when, and is this matter presently under examination or consideration?

Answer by: **Mr. McBain:**

1. Antigonish—Yes.

Mulgrave—No.

Port Hawkesbury—Yes.

2. (a) (i) Antigonish—Doctor McNeil to director of civil aviation—February 11, 1961; director of civil aviation to Doctor McNeil—February 17, 1961.

(ii) No further action is being taken at present pending an application from the town of Antigonish for cost sharing assistance.

(b) (i) Port Hawkesbury—director of community planning, department of municipal affairs, Halifax, N.S., discussion with regional director, air services, Moncton, N.B.;—March, 1960; W. H. F. Langley, chairman Richmond-Inverness metropolitan planning commission to regional director, civil aviation, Moncton, N.B.—September 12, 1960; Meeting with members of above commission attended by regional superintendent of airways and regional construction engineer, Moncton, N.B.,—October 27, 1960.

(ii) No further action is being taken at present pending an application from the commission for cost sharing assistance.

[Mr. Speaker.]

T.C.A.—REVENUE, VANCOUVER-VICTORIA RUN

Question No. 97—**Mr. Laing:**

What was total revenue on the Vancouver-Victoria run of T.C.A. in the years 1960, 1961, and in the first six months of 1962?

Mr. Laing: Mr. Speaker, could I have permission to withdraw this question?

Mr. Speaker: The hon. member requests permission to withdraw his question. Agreed?

Some hon. Members: Agreed.

Order discharged and question withdrawn.

KINGSTON PRISON FOR WOMEN

Question No. 143—**Mr. Matheson:**

1. Has the Department of Justice received any indication that a breakdown of discipline has occurred at the prison for women, Kingston?

2. Are adequate precautions in effect to prevent improper practices among inmates?

3. Have certain inmates successfully refused to work and, if so, what punishment has been administered?

4. Has Superintendent Isobel J. MacNeill (a) been struck by inmates and, if so, when (b) received medical or X-ray examination as a result of injuries received and, if so, when?

Answer by: **Mr. Bell (Saint John-Albert):**

1. No.

2. As adequate as are practicable in the accommodation available.

3. Yes, certain inmates under psychiatric treatment have refused to work on occasions. The were not punished. One other inmate, a young and aggressive type, refused to work and, as punishment, was denied certain privileges.

4. Yes (a) on August 15, Miss MacNeill restrained an inmate, who has homicidal tendencies, from attacking a member of the staff. Miss MacNeill fell to the floor, pulling the inmate with her. (b) Miss MacNeill was examined by the institutional doctor and was given an X-ray examination at the armed forces hospital at Barriefield on August 16. Fortunately, there were no serious injuries.

MEDIUM AND MINIMUM SECURITY INSTITUTIONS

Question No. 144—**Mr. Matheson:**

1. Did the Department of Justice examine the correctional institutions at Camp Bison, Camp Hendrie, Hillsdale, and McCreight's Dam and, if so, when?

2. Has the government announced plans for the construction of (a) similar camps throughout the dominion (b) other medium or minimum security institutions; and, if so, which of these announced programs (i) have been completed (ii) are in the process of completion (iii) are being postponed by reason of austerity?

Answer by: **Mr. Bell (Saint John-Albert):**

1. Yes—Camp Hendrie and Hillsdale were examined in July 1960. 2. (a) No. (b) Yes—6 medium and 15 minimum security institutions, (i) 10 minimum, (ii) 4 medium—5 minimum, (iii) 2 medium.

NORTHERN TRANSPORTATION CO. LTD.

Question No. 150—**Mr. Nielsen:**

1. What are the tons and ton miles of freight moved on equipment owned by Northern Transportation Company Ltd., and licensed by the board of transport commissioners for Canada, during the years 1959, 1960, and 1961, tabulated as follows: (a) total from and to all points within the company system northbound (b) total from and to all points within the company system southbound (c) from Fort Smith, N.W.T., to all points within the Northwest Territories (d) from Hay river, N.W.T., to all points within the Northwest Territories (e) from Hay river, N.W.T., and Fort Smith, N.W.T., destined for distant early warning station sites (f) from Norman Wells, N.W.T., destined for the distant early warning station sites (g) from Norman Wells to all other points within the Northwest Territories?

2. Of the total tonnage and ton miles moved within the Northwest Territories, what percentage of each of these totals was moved for (a) crown corporations (b) Canadian government departments (c) distant early warning station sites (d) consignees other than above?

3. What gross revenue was earned by N.T.C.L., in each year, 1959, 1960, and 1961, from the carriage of goods within the N.W.T., tabulated as follows: (a) goods carried for crown corporations (b) goods carried for Canadian government departments (c) goods carried to distant early warning station sites (d) goods carried for consignees other than (a), (b) or (c)?

4. Of the total tonnage provided for carriage by the Northern Transportation Company Ltd., what tonnage was allocated to Canadian (private enterprise) carriers, licensed by the board of transport commissioners for Canada, by the N.T.C.L., for movement within the N.W.T., during the years 1959, 1960, and 1961?

5. What sources of revenue has northern transportation other than by the carriage of goods by water?

6. Other than transportation operations, what business activities are carried on by Northern Transportation Company Ltd.?

7. What is the yearly statement of income and expenditures, in tabulated form, in totals and in cents per ton mile, for the years, 1956, 1957, 1958, 1959, 1960, and 1961, of yearly (a) freight earnings (b) miscellaneous earnings, other than freight revenue (c) operating expenses (d) administrative expenses (e) depreciation (f) operating profit (g) income tax paid (h) net profit?

Answer by: **Mr. Nesbitt:**

	1959		1960		1961	
	Tons	Ton Miles	Tons	Ton Miles	Tons	Ton Miles
1—						
(a) Total N/B	152,944	69,802,348	118,015	51,381,444	104,252	45,181,028
(b) Total S/B	19,731	4,403,197	23,279	9,289,800	22,966	9,335,171
(c) Thru Ft. Smith—all pts. N.W.T.	25,004	19,526,652	18,055	13,259,660	9,590	8,817,029
(d) Hay River—all pts. N.W.T.	9,552	9,795,720	7,082	7,197,169	6,793	6,123,334
(e) Hay River—Dew Line	7,345	8,241,090	5,669	6,360,618	3,737	4,192,914
Ft. Smith—Dew Line	3,840	5,233,920	2,810	3,830,030	1,782	2,428,866
(f) Norman Wells—Dew Line	4,286	2,275,866	6,144	2,262,464	11,234	6,009,993
(g) Norman Wells—all other pts. N.W.T.	20,279	4,746,705	11,993	6,637,413	12,878	7,642,022
2—Percentage of Tons and Ton Miles						
(a) Crown Corporation	18.79%	20.23%	5.97%	6.37%	0.78%	1.18%
(b) Government Departments	8.04	7.92	11.61	11.14	14.31	12.97
(c) D.E.W. Line	29.04	42.96	32.51	41.33	38.99	41.74
(d) Other Consignees	44.13	28.89	49.91	41.16	45.92	44.11
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

	1959	1960	1961
3—Gross Revenue within N.W.T.			
(a) Crown corporations	437,779	123,825	18,442
(b) Government Departments	155,399	187,217	214,012
(c) D.E.W. line	682,857	523,028	498,983
(d) Other consignees	608,549	494,192	529,981
	1,884,584	1,328,262	1,261,418
4—	Nil	Nil	Nil

5—Rental of marine equipment.
Rental of ancillary equipment.
Interest revenue.

6—No other business activities.

Questions

	1956		1957		1958	
	Amount	Cents Per Ton Mile	Amount	Cents Per Ton Mile	Amount	Cents Per Ton Mile
7—						
A—Freight Earnings	3,817,486	5.5798	3,929,280	5.2344	4,147,562	5.1831
B—Miscellaneous earnings (other than freight revenue)	60,318	0.0808	24,997	0.0333	118,156	0.1477
C—Operating expenses	2,016,217	2.9470	2,142,874	2.8547	2,227,910	2.7842
D—Administrative expenses	166,162	0.2429	191,513	0.2551	243,932	0.3048
E—Depreciation	1,052,857	1.5389	1,004,346	1.3379	1,072,138	1.3398
F—Operating profit	642,568	0.9318	615,544	0.8200	721,738	0.9019
G—Income tax paid	262,346	0.3835	214,238	0.2854	474,008	0.5924
H—Net profit	380,222	0.5484	401,306	0.5346	247,730	0.3096
	1959		1960		1961	
A—Freight earnings	3,736,879	5.0358	2,728,104	4.4965	2,458,157	4.5090
B—Miscellaneous earnings (other than freight revenue)	110,410	0.1488	151,253	0.2493	204,546	0.3752
C—Operating expenses	2,258,546	3.0436	1,816,994	2.9948	1,347,840	2.4724
D—Administrative Expenses	259,773	0.3501	303,812	0.5008	231,799	0.4252
Pension fund	400,000	0.5390				
E—Depreciation	768,310	1.0354	693,777	1.1435	517,201	0.9487
F—Operating profit	160,660	0.2165	64,774	0.1068	565,863	1.0380
G—Income tax paid	76,165	0.1026	4,611	0.0076	312,411	0.5731
H—Net profit	84,495	0.1139	60,163	0.0992	253,452	0.4649

N.B. Commencing in 1960, the Auditor General's statement included depreciation on office building, and furniture and fixtures as administrative expense rather than as operating expense, as previously shown.

BEAUHARNOIS CANAL LOCKS—DRAFT OF SHIPS

Question No. 160—**Mr. Lamoureux:**

Of the ships that went through the Beauharnois locks from the opening of the 1961-62 navigation season to October 1, 1962, how many drew more than 20 feet of water?

Answer by: **Mr. McBain:**

The St. Lawrence seaway authority advises as follows: 2,756.

ROADS TO RESOURCES, N.B.—FEDERAL EXPENDITURES

Question No. 167—**Mr. Fairweather:**

1. How much was Canada's share of expenditures on roads to resources in New Brunswick in the calendar years 1961 and 1962?
2. What were the locations of the projects where the money was spent?
3. How many miles of road were involved in each project?

Answer by: **Mr. Dinsdale:**

1. 1961 —	$1,492,202.43
1962 (to Oct. 15)	389,181.63
	$1,881,383.79

2 and 3. (a) The Plaster Rock-Renous road. The improvement of approximately 45 miles of the existing road and the construction of approximately 15 miles of new road between the communities of Plaster Rock and Renous.

(b) Doaktown-Chipman road. Construction of 25 miles of road commencing at the community of Doaktown and running in a southerly direction to the community of Chipman.

(c) Kingston peninsula loop. Improvement of a 40 mile circuit of the Kingston area, commencing and terminating at the community of Kingston and parallelling the waters of Long Reach on the northwest and Kennebecasis bay on the southeast by way of Harding Point, Moss Glen and Clifton.

(d) Westmorland shore road. The improvement of 18.1 miles of existing road between the village of Bayfield and Mates Corner at the junction of highway No. 15.

(e) Grand lake road. The improvement of approximately 25 miles of the Lakeville corner road near Sheffield, along the west shore of Grand lake to Minto on highway No. 10.

(f) Cape Bald loop. The improvement of 8.1 miles of existing road from Shemogue to Cape Bald.

(g) Buctouche Bay loop. The improvement of 11.5 miles of existing road from Cocagne through Cormierville to highway No. 11 at Buctouche Bay.

(h) Richibucto loop. The improvement of approximately 20 miles of existing road from Buctouche Bay to Richibucto village (or Ste Anne, if the latter is a more suitable terminus).

(i) Heath Steele road. Construction of a new road northerly across the Nepisiguit river—a distance of approximately 26 miles, to join with the Bathurst—westerly road.

(j) Miscou island-Shippegan island road. Construction of a causeway bridge and road between Miscou island and Shippegan island —approximately 20 miles.

(k) Lower Escuminac-Kouchibouguac road. Improvement to roads connecting Lower Escuminac, Baie du Vin, Bransfield, Point Sapin and Kouchibouguac—approximately 30 miles.

*SARNIA INDIAN BAND—DISTRIBUTION OF FUNDS

Question No. 177—**Mr. Foy:**

1. Has the Sarnia Indian band requested a distribution of the band's $600,000 arising from the sale of their lands to Dimensional Investments Limited?
2. If so, has any decision been made in this regard, and what is the decision?
3. If no decision has been reached to date, will the Minister of Citizenship and Immigration give immediate consideration to the desirability of making such a distribution in order to alleviate the economic plight of this band?

Mr. McGee:

1. Yes.

2. The terms of the surrender authorizing sale of the land did not permit a favourable decision. The surrender prescribes that $500,000 be placed in a band trust account for the development of an Indian village and $100,000 for the acquisition of land on the reserve for members who have no land.

3. A petition of right has since been filed in the Exchequer Court of Canada for the recovery of $2,500,000, and further consideration of such a distribution must of necessity await the conclusion of these proceedings.

HOSPITAL CONSTRUCTION GRANTS, ONTARIO

Question No. 178—**Mr. McNulty:**

In respect of federal grants toward hospital construction in Ontario:
(1) What is the total value of construction approved under the program?
(2) What is the total of payments made by the federal government in each year from 1957?
(3) Why are federal payments now lagging behind, on average, over five months?
(4) Is there any commitment to reimburse the hospitals for interest incurred by hospitals as a result of the federal delay?
(5) What sum of money is now approved but unpaid?
(6) Has any instruction or advice been given any hospitals that the federal grants are suspended pending the conclusion of the current fiscal year?

Answer by: **Mrs. Casselman:**

1. As approved federal assistance to the provinces on behalf of projects forwarded under the hospital construction grant by a province represents only a portion of the total value of the hospital construction under way in a province, this information should be sought directly from the province.

From 1948 to September 30, 1962, approvals of federal assistance on behalf of hospital construction projects submitted by the province of Ontario under the hospital construction grant were over $75,000,000.

2. The total of payments made to the province of Ontario under the hospital construction grant was—

In 1958-59	$4,245,447
In 1959-60	6,613,966
In 1960-61	6,998,643
In 1961-62	7,620,395

3. Federal payments to a province under the hospital construction grant are made in response to provincial submissions of claims and the completion of a final audit of appropriate costs. Reimbursements to the province have been made within a few days after the receipt of this information.

4. See answer 3 above. There is no commitment to reimburse a province for any interest charges incurred by a hospital.

5. At the end of September, projects submitted by the province of Ontario requesting future payments under the hospital construction grant, to take place over the next few fiscal years as the construction of individual hospitals is undertaken, involved over $17,000,000 in federal assistance.

6. As the province of Ontario has already requested and received approval for over $7,000,000, which represents its share of the total annual allocation of the hospital construction grant, it is now necessary, in approving additional projects for construction, to advise the province that unless reductions can be submitted in other projects it will not be possible to claim on the newest projects until the next fiscal year.

POLIOMYELITIS VACCINES

Question No. 180—**Mr. Harley:**

1. Up to date in 1962, how many cases of poliomyelitis were reported in Canada?
2. In these cases, how many (a) had received no prophylactic measures (b) had received Salk vaccine (c) had received Sabin vaccine?
3. In those cases of poliomyelitis reported after receiving Sabin vaccine (a) what was the time interval between immunization and the onset of symptoms of the disease (b) were these cases considered severe, with paralysis, either temporary or permanent?

Answer by: **Mrs. Casselman:**

1. In 1962 to October 6, 65 cases of paralytic poliomyelitis have been reported in Canada. This compares to 158 cases and 807 cases for the same period in the years 1961 and 1960 respectively.

Questions

2. At the present time, the immunization status is known for only 45 cases. Thirty one had received no Salk vaccine and of these 3 had received Sabin vaccine. Six had received one or two doses of Salk vaccine and of these one had received Sabin vaccine. Eight had received three or more doses of Salk vaccine and of these none had received Sabin vaccine.

3. (a) The time interval between feeding Sabin vaccine and occurrence of symptoms varied from 17 to 48 days. (b) Two cases had severe permanent paralysis and 2 cases had moderate paralysis which, at last examination, were showing much improvement.

*VOCATIONAL TRAINING, TORONTO

Question No. 181—**Mr. Lewis:**

1. What assistance under the Technical and Vocational Training Assistance Act has the government provided and undertaken to provide in the province of Ontario, and what part of it, if any, was or is designated for the municipality of Metropolitan Toronto?

2. How much of any such assistance was in respect of the capital expenditure incurred by the province of Ontario on training facilities, and what part of such assistance related or relates to such capital expenditure in the municipality of Metropolitan Toronto?

3. What representations, if any, have been made to the Minister of Labour or any departments or agencies of the government with respect to the inadequacy of present training premises and facilities in the municipality of Metropolitan Toronto, and what steps is the government considering in order to provide assistance in respect of capital expenditure for the building of additional facilities there?

Mr. Hales:

1. From April 1, 1961 to September 30, 1962, the total federal government contribution to all types of programs coming under the Technical and Vocational Training Assistance Act in the province of Ontario is $51,300,000. The amount of this total contribution relating to the municipality of metropolitan Toronto is not immediately available.

2. The estimated federal share of all training facilities that have been built or purchased since April 1, 1961 or approved up to October 15, 1962 in the province of Ontario is $187,000,000. Of this total, $37,500,000 relates to the municipality of metropolitan Toronto.

3. As of October 15, 41 projects have been recommended by the province and approved by the federal government for new schools, additions and improvements to existing training facilities for the municipality of metropolitan Toronto. The federal government will consider further applications as they are received from the province in accordance with terms of the agreements.

[Mrs. Casselman.]

VOCATIONAL TRAINING FOR UNEMPLOYED

Question No. 194—**Mr. Berger:**

1. How many of the unemployed persons enrolled full-time in occupational training courses between April 1, 1960, and March 31, 1961, pursuant to the special vocational projects agreement, completed said courses, and, of those who completed the courses, how many obtained jobs within three months following completion of their courses.

2. Was the new technical and vocational training agreement, referred to in the annual report of the Department of Labour for the fiscal year ended March 31, 1961, at page 78 thereof, completed with the provinces and, if so, what was the date of completion, and is the province of Quebec a party to the said agreement?

3. How many unemployed persons were enrolled in occupational training courses, pursuant to the special vocational projects agreement or the technical and vocational training agreement, between April 1, 1961, and March 31, 1962?

4. Did the federal government share in the cost of any other vocational training courses for unemployed persons during the period between April 1, 1961, and March 31, 1962?

5. Of those unemployed persons enrolled in the courses mentioned in parts 3 and 4, (a) how many completed said courses (b) how many failed to pass said courses (c) how many obtained employment within three months of completing their courses (d) how many were men (e) how many were women (f) how many were enrolled in the province of Quebec?

Answer by: **Mr. Hales:**

1. (a) Between April 1, 1960 and March 31, 1961, 2,848 unemployed persons completed courses.

(b) Number obtaining jobs within three months following completion, not available.

2. Yes, with all provinces including Quebec, effective April 1, 1961.

3. 26,887.

4. No.

5. (a) 9,646, (b) 6,569—(10,672 still under training, April 1, 1962), (c) Unavailable, (d) 20,306, (e) 6,581, (f) 8,308.

*IMPORT OF CEMENT CARGO, MONTREAL

Question No. 199—**Mr. Robichaud:**

Was a cargo of cement imported from a foreign country unloaded in the port of Montreal since October 1, 1962, and, if so (a) what was the quantity of cement involved (b) what was the country of origin (c) what is the name of the broker responsible for this transaction (d) what was the name of the Canadian firm taking delivery of this cargo?

Mr. Flemming (Victoria-Carleton): The answer to the first part of the question is yes.

Part (a)—1050 metric tons.

Part (b)—The shipment arrived from Cuba but there is reason to believe that the cement originated wholly or in part in the U.S.S.R.

Parts (c) and (d). It is not the government's practice to disclose information concerning the business of individual importers or their agents.

LOCATION OF CORRECTIONAL INSTITUTIONS

Question No. 201—**Mr. Matheson:**

Have principles been established and, if so, what, with respect to the locating of varying types of correctional institutions, and particularly (a) reception areas (b) young offenders' units (c) medical treatment units (d) general institutions?

Answer by: **Mr. Bell (Saint John-Albert):**

Yes.

(a) part of maximum security installation; if possible central to major sentencing courts;

(b) (i) rural setting but reasonably close to a large centre of population.

(ii) as central as possible to the area to be served.

(c) central to correctional institutions to be served; availability of specialists staff;

(d) community acceptance; good communications; community amenities for staff; reasonable proximity to large centres of population; availability of services.

INJURIES TO PENITENTIARY GUARDS

Question No. 203—**Mr. Matheson:**

1. What progress has been made to ascertain the person or persons responsible for the killing of a guard at Kingston penitentiary in 1961?

2. How many inmates and how many guards were injured by acts of violence in Kingston penitentiary each month since December 31, 1960?

3. Were inmates seriously injured by acts of violence in the months of September and October 1962, and, if so, what are the facts in each case, who was responsible, and what steps have been taken to prevent future recurrences?

Answer by: **Mr. Bell (Saint John-Albert):**

1. All evidence is in the hands of the police who are continuing their investigations. So far, apparently, the evidence is insufficient to lay charges against anyone.

2.

	Inmates	Guards
January 1961:	nil	nil
February 1961:	1	nil
March 1961:	nil	nil
April 1961:	nil	nil
May 1961:	nil	1
June 1961:	nil	nil
July 1961:	nil	1
August 1961:	nil	nil
September 1961:	1	nil
October 1961:	2	2
November 1961:	2	nil
December 1961:	nil	1
January 1962:	1	2
February 1962:	nil	nil
March 1962:	nil	1
April 1962:	1	nil
May 1962:	1	nil
June 1962:	1	nil
July 1962:	1	nil
August 1962:	nil	nil
September 1962:	2	1
October 1962:	2	1

Six of the above attacks on officers were made by psychiatric patients.

3. Of the four inmates injured during September and October 1962, one received lacerations to the face during a fight in the carpenter shop, with no serious injury and the case was routinely dealt with at the warden's court; one received a fractured skull while employed in the kitchen and the attacker has not been determined; one received a stab wound in the abdomen from a yet undetermined patient in the psychiatric unit and the injured inmate in this case has since been committed to a mental hospital; the fourth inmate received facial contusions, which, he claims, occurred through a fall. Inmates will not reveal the identities of their attackers and will rarely co-operate in laying charges. Unless attacks are actually witnessed by the staff, convictions are almost impossible. The staff of Kingston penitentiary is ever vigilant in its attempts to keep outbreaks of violence to a minimum.

*CHAMBLY-ROUVILLE, QUE., APPLE GROWERS

Question No. 213—**Mr. Pilon:**

1. Is the Minister of Agriculture acquainted with the situation facing the apple growers of the county of Chambly-Rouville which was set forth in the memorandum prepared by the apple growers association of Rougemont?

2. What steps are contemplated by his department to improve the present conditions with respect to imports and exports, including classification and packing, of fruits and by-products thereof?

(Translation):

Mr. Pigeon: Mr. Speaker, no brief on this matter has been received by the Minister of Agriculture.

(Text):

RESTIGOUCHE COUNTY, N.B., NATIONAL PARK

Question No. 214—**Mr. Dube:**

What arrangements has the government made concerning the requests made by the chambers of commerce and other public bodies in connection with the establishment of a federal recreational park in the county of Restigouche?

Answer by: **Mr. Dinsdale:**

So far as I have been able to determine no requests have been received by me or my department from chambers of commerce or other public bodies in connection with the establishment of a federal recreational park in the county of Restigouche. If the hon. member has knowledge of any such representations and could provide me with more specific information, I would be most happy to have the matter looked into.

RESTIGOUCHE COUNTY, N.B.—HARBOUR WORKS

Question No. 215—**Mr. Dube:**

1. Does the Department of Public Works intend to carry out any improvements to the harbour works in the county of Restigouche during 1962?

2. If so, (a) is it the intention to do any filling

work and to build a warehouse adjoining the Dalhousie wharf (b) are dredging operations east of the Campbellton wharf contemplated?

Answer by: **Mr. McCleave:**

1. No. Harbour improvement works, consisting of the construction of fill-retaining embankments, have already been carried out at Dalhousie, N.B. during 1962 at a cost of $15,385.

2. Further work will depend on the provision of funds in the estimates of 1963-64.

*CUSTOMS TARIFF SURCHARGES—LEGAL OPINION

Question No. 217—**Mr. Pickersgill:**

1. Was any work done by officials before June 18, 1962, to prepare data on which the customs tariff surcharges announced on June 24 might be based and, if so, on what date was the work begun, and who authorized it?

2. On what date was the government advised that the said tariff surcharges could be based legally on the Customs Tariff Act and the Financial Administration Act?

3. On what date did the government request this legal opinion?

Mr. Grafftey:

1. Civil servants have, properly, for a number of years, given consideration to such programs.

2. It was on June 20 that Mr. Driedger advised Mr. Fleming that the tariff surcharges could be based on the two acts cited.

3. It was on the same date and at the same time that the government requested this particular opinion of Mr. Driedger.

SUBSIDIES TO FARMERS, 1961

Question No. 224—**Mr. Ouellet:**

1. What has been the total amount of subsidies paid to Canadian farmers in 1961?

2. What is the amount of subsidies paid to farmers of the province of Quebec in 1961?

Answer by: **Mr. Pigeon:**

(Translation):

1. Total for Canada during fiscal year 1961-62: $144,497,980*.

2. Total for the province of Quebec during fiscal year 1961-62: $19,285,334.

**Total for Canada.* It is impossible to allocate by provinces a certain part of the payments made by the agricultural stabilization board, and therefore the total shown for one province does not take into account the said part of the payments in question.

(Text):

UNEMPLOYMENT INSURANCE FUND

Question No. 235—**Mr. Barnett:**

1. What was the balance in the unemployment insurance fund at the end of the fiscal year 1956?

2. What is the amount of total payments into the fund exclusive of interest from investments between the end of the fiscal year 1956 and the end of the last fiscal year?

3. What is the total of disbursements from the fund during the same period?

4. What was the total revenue paid into the fund during each of the years since 1956, subdivided as to the amounts received from employee contributions, employer contributions, government contributions, and income from investments?

5. What was the total of disbursements from the fund during each of these years?

Answer by: **Mr. Grafftey:**

1. $854,198,518.59.

2. $1,815,525,753.00.

3. $2,694,089,924.00.

	Employee Contributions	Employer Contributions	Government Contributions	Income from Investments	Penalties, etc.	Total
	$	$	$	$	$	$
4. 1955-56	84,732,276.50	84,732,276.50	33,892,911.00	25,005,133.00	28,920.00	228,391,517.00
1956-57	93,409,669.00	93,409,669.00	37,363,868.00	26,039,081.00	45,192.00	250,267,479.00
1957-58	94,589,513.50	94,589,513.50	37,835,805.00	23,775,558.00	46,422.00	250,836,812.00
1958-59	92,743,521.00	92,743,521.00	37,097,408.00	11,609,925.00	47,736.00	234,242,111.00
1959-60	114,307,850.50	114,307,850.50	45,723,140.00	8,441,165.00	51,776.00	282,831,782.00
1960-61	137,636,480.50	137,636,480.50	55,054,592.00	2,711,244.00	62,794.00	333,101,591.00
1961-62	138,894,382.00	138,894,382.00	55,557,753.00	6,177,191.00	90,050.00	339,613,758.00

	$
5. 1955-56	215,204,892.00
1956-57	231,296,570.00
1957-58	385,078,154.00
1958-59	478,631,078.00
1959-60	415,234,067.00
1960-61	513,905,724.00
1961-62	454,739,439.00

LAKEHEAD TELEVISION SERVICE FOR FOOTBALL GAMES

Question No. 241—**Mr. Badanai:**

Has the Canadian Broadcasting Corporation made any arrangements to have the football games televised through CKPR-TV serving the lakehead area?

Answer by: **Mr. Halpenny:**

I am informed by the Canadian Broadcasting Corporation that it does not have telecasting rights for the presentation of Canadian professional football games. However, it is carrying on its television network the N.F.L. games each Sunday afternoon and a series of Canadian intercollegiate games on some Saturday afternoons. There are carried to the lakehead area through CKPR-TV.

LAKEHEAD—NEW PILOTS APPOINTED

Question No. 246—**Mr. Badanai:**

Has the government made any new appointments of pilots during the current navigation season for the lakehead area and, if so, who are the successful applicants?

Answer by: **Mr. McBain:**

Yes, Messrs. T. Hanrahan, C. C. Harrison and C. E. Robinson were appointed as registered pilots on April 25, 1962. Mr. Robinson was replaced by Mr. A. H. Mallette on June 12, 1962.

YEAR ROUND GREAT LAKES NAVIGATION

Question No. 247—**Mr. Badanai:**

Has the government given any consideration to a proposal to keep navigation open year round in the great lakes?

Answer by: **Mr. McBain:**

In view of the major difficulties caused by the complete freeze-over of most of the major ports within the great lakes area, this project does not appear currently feasible, although every effort is being made to extend the season at each end within the great lakes area itself by increasing use of icebreaker capacity. This statement, of course, applies to the great lakes area and not to the seaway.

REPORTS OF RESTRICTIVE TRADE PRACTICES COMMISSION

Question No. 251—**Mr. Howard:**

1. Since July 1, 1957, have any reports from the restrictive trade practices commission been received?

2. If so, and with respect to each such report, what was (a) the nature of its inquiry (b) its date (c) its recommendations (d) the names of the persons or companies to which the recommendations applied (e) the action taken on these recommendations, and the results thereof?

Answer by: **Mr. Bell (Saint John-Albert):**

1. Yes.

2. (a) The answer to this question is contained substantially in the reports of the director of investigation and research, combines investigation act, for the fiscal years ended March 31, 1961 and 1962 already tabled in the House of Commons. The addendum which follows brings the information contained therein up to date.

(b) Answered by 2(a) and addendum.

(c) Answered by 2(a) and addendum.

(d) Answered by 2(a) and addendum.

(e) Answered by 2(a) and addendum.

ADDENDUM

Report	Nature of Inquiry	Date of Report	Recommendations	Names of Persons or Companies to which the Recommendations Applied*	Action Taken on Recommendations and Results**
Report concerning the manufacture, distribution and sale of paperboard shipping containers and related products	Alleged combination and alleged mergers	August 2, 1962	(1) "In the case of the arrangements which have led to the establishment of common prices of containerboard and of shipping containers we think that under the Combines Investigation Act an application may be made for a court order which would restrain the participants in such arrangements from continuing or resuming them in the same or a modified form in the future. In view of the persistence with which arrangements to secure the maintenance of common prices have been pursued, in one form or another, over such lengthy periods the commission believes that a restraining order should be sought from the court, under the provisions of the Combines Investigation Act, which would be broad enough to prohibit the participants from using jointly the services of any person or private organization in connection with any matters relating to prices, costs or statistics." (2) That the most effective way to restore competitive conditions to the board and container levels of the industry from which the public would derive benefit in the form of lower prices would be the removal of customs duties on both board and containers when feasible in the light of the financial situation existing at the time the report was made. The commission was of the opinion that on the basis of existing jurisprudence, none of the mergers constituted an offence against the Combines Investigation Act. It expressed the hope, however, "that in the near future the questions raised by these decisions will be reviewed by appelate tribunals, more particularly by the Supreme Court of Canada, so that they may be definitely settled."		The matter has been referred to counsel for an opinion as to whether prosecution or other proceedings are warranted.

Report concerning the acquisition by Bathurst Power & Paper Company Limited of Wilson Boxes, Limited	Alleged merger	August 2, 1962	The commission was of the opinion that on the basis of existing jurisprudence the merger did not constitute an offence against the Combines Investigation Act. "In the shipping containers report the commission recommended that appropriate tariff changes be made to restore competitive conditions in the supply of containerboard and in the supply of shipping containers. These recommendations would be equally relevant in the present inquiry."
Report concerning the acquisition of the common shares of Hendershot Paper Products Limited by Canadian International Paper Company	Alleged merger	August 2, 1962	The commission was of the opinion that on the basis of existing jurisprudence the merger did not constitute an offence against the Combines Investigation Act. "[In the shipping containers report] the commission recommended certain tariff changes which it considered would protect the public from unnecessarily high prices of containerboard and shipping containers and which would assist in removing the restrictive effects on the supply of containerboard which are inherent in the situation where a predominant part of the containerboard production in Canada is made by integrated companies and is used in their own converting operations. The commission considers that its recommendations in the inquiry relating to shipping containers are relevant in the present inquiry."

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ADDENDUM

Report	Nature of Inquiry	Date of Report	Recommendations	Names of Persons or Companies to which the Recommendations Applied*	Action Taken on Recommendations and Results**
Report concerning the manufacture distribution and sale of evaporated milk and related products	Alleged predatory pricing	August 28, 1962	"It is the conclusion of the commission that Carnation, in making the substantial reduction in the price of evaporated whole milk in Alberta, was endeavouring to exercise control over the practices of of Alpha and Pacific in selling their products in Alberta, and that the effect of the action of Carnation was the likelihood that competition in the sale of evaporated whole milk in Alberta would be substantially lessened. The commission recommends that a court order be sought under the provisions of the Combines Investigation Act to restrain Carnation from engaging in such a policy in the future."	Carnation Company Limited	The matter has been referred to counsel for an opinion as to whether prosecution or other proceedings are warranted.

* In many cases the reports do not specifically name persons or companies to which the recommendations apply since such reports, while dealing with the allegations contained in the statement of evidence which names particular persons or companies, ordinarily do not deal with the extent of involvement of each such person or company in the alleged offence. Unless, therefore, the recommendations in the report are stated specifically to apply to named persons or companies, no reply will be shown under this heading.

** While the reports of the restrictive trade practices commission do not contain recommendations in respect of prosecution proceedings, apart from tariff action any action under the Combines Investigation Act arising out of alleged contraventions of the anti-combines legislation can be taken only through the courts. The comment under this heading, therefore, sets out proceedings in the courts where they have been taken or are contemplated, together with the outcome of such proceedings where they have been completed.

NOTE—A report of the restrictive trade practices commission, dated October 4, 1962, has been received and will be made public in accordance with the requirements of section 19(3) of the Combines Investigation Act. Until the report is made public, it is not possible to disclose the information requested.

BRANTFORD, ONT.—RE-EMPLOYMENT OF CELANESE PLANT WORKERS

Question No. 252—**Mr. Brown:**

Has the government any plan for the re-employment of the 250 workers thrown out of employment by the closing of the Canadian Celanese Limited plant at Brantford, Ontario, announced last week?

Answer by: **Mr. Hales:**

It has been reported that to date 28 employees have been laid off by the Canadian Celanese Ltd., Brantford, and that another 30 to 35 workers may be laid off during the week of October 15. Workers laid off are being registered by the Brantford office of the national employment service, and every effort is being made to re-establish these workers in jobs in Brantford, or in other locations.

I might add that in addition to the efforts of the local national employment office to find other employment for those laid off, five projects under the winter works incentive program have been authorized to date in the Brantford area at a total cost of $140,000. The federal government's share is $33,625. These projects are providing employment for some 43 men for 4,000 man-days. It is expected, of course, that other projects will be started as the program develops.

We are also supporting an active program of training for unemployed in the Brantford area under program 5 of the technical and vocational training agreement. At last report it included courses as follows:

For men: Commercial, commercial art, electronics, machine shop, small engines and welding.

For women: Commercial and commercial art.

Auto mechanics and machine operators have also been trained and the facilities can be expanded in accord with the demand.

ASSISTANCE TO EASTERN CANADA FARMERS

Question No. 254—**Mr. Caouette:**

What steps does the government intend to take with respect to eastern Canada farmers (a) when there is a crop failure (b) when they cannot sell their produce (c) when they lose their produce due to lack of storage facilities?

Answer by: **Mr. Pigeon:**

While new policies with respect to agriculture will be announced at appropriate times certain steps have already been taken and legislation introduced to meet the various situations outlined in the question. Some of these are:

(a) In 1959 the Crop Insurance Act became effective. Under the provisions of this act the responsibility for the institution and administration of insurance schemes to protect farmers against all types of risks lies with the provinces with the federal government making significant contributions towards the administration and operation of any such programs. These contributions are as follows:

(1) 50 per cent of administrative expenses.

(2) Up to 20 per cent of the premiums paid.

The federal government enters into agreement to loan to provinces any funds that may be necessary to meet losses over and above a reserve fund, premium receipts, and $200,000.

In addition the federal government has provided financial assistance to provinces on a shared basis to assist them in meeting emergency crop loss situations. An example is the assistance given to farmers suffering losses due to fusarium rot.

(b) The Agricultural Stabilization Act, which was assented to in 1958, is designed to protect farmers against severe drops in the prices of the commodities they sell. Under this act the price of nine mandatory commodities—cattle, hogs, sheep, butter, cheese, eggs, and wheat, oats and barley produced in areas not coming under the Canadian Wheat Board Act—must be supported at not less than 80 per cent of the average price received by producers during the previous ten years. In addition, the act makes provision for the support of any agricultural commodity at any level that may be approved by the governor general in council. During the present year 17 commodities have been or are under support at various levels ranging up to 109 per cent of the base price. These commodities are:

Butter, cheese, eggs, hogs, steers, lambs, wool, honey, milk for manufacturing, soybeans, sunflower seed, sugar beets, turkeys, potatoes. Wheat, oats, barley, produced in those areas not coming under the Canadian Wheat Board Act.

Under the provisions of this act any agricultural products may be purchased, thus providing a market for produce that cannot otherwise be sold at a satisfactory level. The major purchase program in effect at the present time is that associated with dairy products. However, the agricultural stabilization board has from time to time bought large quantities of various commodities depending upon the need for support of this type.

A further form of assistance that may be provided to farmers who are experiencing difficulties in selling their produce is provided by the Co-operative Marketing Act. Under this act an agreement may be entered into with groups of producers under which the government guarantees loans in order to permit the producers to receive an initial payment upon delivery while the produce is being stored or processed, thus enabling a more orderly and effective manner of marketings.

As an example, for many years advantage of this act has been taken by forage seed producers to obtain guaranteed bank loans which are used to finance storage and to assist them in obtaining the best possible market and the best possible price.

Another example of where this act has been used to good advantage is that of the apple growers' association of Rougemont which, through this act, have been able to finance the processing of that portion of their annual apple crop which could not be moved to advantage into the fresh market.

Last year the Ontario flue-cured tobacco growers' marketing board obtained assistance under this legislation in order to hold and process for export that portion of their crop that could not be sold through their regular auction procedure.

The department also enters into direct promotion work aimed at assisting the producer in the merchandising of his product. This assistance ranges from the activities of the consumer section of the department to direct financial aid on a shared basis to national organizations for promotional programs. For example, during the current year a direct grant is being provided to the red cherry institute to assist them in market promotion to meet a problem of surplus frozen cherries. Similar grants are or have been made to assist various other segments of the agricultural economy such as poultry, soft fruits, etc.

In the promotion of the sale of agricultural products officials of the departments of agriculture and trade and commerce work closely together in order that all opportunities for sales may be fully considered.

(c) The department administers various programs designed to permit producers and others to provide themselves with storage facilities adequate for their needs. Under these programs financial assistance has been provided for the construction of cold storage warehouses, potato warehouses, and for cheese curing rooms and cheese factory consolidation.

In the speech from the throne reference was made to the implementing of a program designed to insure the availability of storage facilities and continuity of supplies of feed grain to match the expanding requirements for livestock production, particularly in the areas of British Columbia and eastern Canada where supplies of feed grain are normally deficient. Work in developing this policy is progressing and the complete policy will be announced as soon as is feasible.

Under emergency situations other programs may be and have been implemented such as the starch diversion program in New Brunswick last year which was necessitated largely by the condition of the crop and lack of adequate on-farm storage facilities. Under this program some 620,000 barrels of potatoes were diverted to starch factories with federal assistance thus relieving a serious storage problem.

[Mr. Pigeon.]

ASSISTANCE TO AGRICULTURAL COMMODITIES

Question No. 259—**Mr. Stewart:**

1. In respect of what commodities was assistance given between April 1, 1961 and March 31, 1962, under the Agricultural Stabilization Act?
2. What was the amount of assistance given in the case of each of these commodities?
3. What was the amount of assistance given to producers in Nova Scotia in the case of each of these commodities?
4. Can the amounts referred to in part 3 above be broken down by counties and, if so, what is the breakdown?

Answer by: **Mr. Jorgenson:**

1 and 2. The annual report of the agricultural stabilization board for the fiscal year 1961-62, tabled on September 27, 1962, contains details of assistance given on all commodities under the Agricultural Stabilization Act for the period April 1, 1961 to March 31, 1962.

3. Detail, by provinces, of the amount of assistance given on each commodity is not available.

4. No.

*EXTENSION OF FISHING LIMITS

Question No. 262—**Mr. Tucker:**

What steps has the government taken in the year 1962 to protect our fishermen by extending the fishing limits reserved exclusively to Canadian fishermen?

Mr. MacLean (Queens): Exploratory talks on the subject have been continued with a number of countries, but so far no definite conclusion can be reported.

*NORTHUMBERLAND CONSULTANTS LIMITED

Question No. 265—**Mr. Stewart:**

1. On what date did the Department of Public Works retain each of the three firms of Langevin, Letendre and Monti, Canadian-British engineering consultants, and H. G. Acres and Company Limited, to make engineering studies designed to discover whether or not the construction of a P.E.I.-N.B. causeway is feasible?
2. On what date were these firms associated as Northumberland Consultants Limited?
3. On what date does the department expect to establish finally its agreement engaging Northumberland Consultants Limited?
4. Have these consultants begun their engineering studies at the site and, if so, on what aspects of the project have they been, and are they now at work?
5. Have the consultants indicated in any way when they expect to conclude their engineering studies?

6. Were any reports made by any other person (or persons) studied by the department prior to the retention of Northumberland Consultants Limited?

Mr. McCleave:

1. The feasibility of constructing a Prince Edward Island-New Brunswick causeway had been established before the consultants were retained. This was announced by the Prime Minister in the House of Commons on April 17, 1962. On June 6, 1962, the Hon. J. Angus MacLean and the Hon. David J. Walker announced jointly that the firms of Langevin, Letendre and Monti, Canadian-British engineering consultants, and H. G. Acres and Company Limited had been named to assist the Department of Public Works in the planning and construction of the most economical type of crossing.

2. The three firms have formed their affiliate group informally and are seeking a charter so that they can operate as Northumberland Consultants Limited.

3. Approximately November 15, 1962.

4. No.

5. No. Scheduling of the studies will be established by the Department of Public Works.

6. Yes. Reports made by the following were studied by the Department of Public Works.

(a) C-B joint venture.

(b) Department of Mines and Technical Surveys.

(c) National research council.

*AUTOMOBILE AUTOMATIC TRANSMISSIONS

Question No. 268—**Mr. Martin (Essex East):**

1. In view of the reply given on October 15 by the Minister of Finance regarding the manufacture of automatic transmissions, will the Minister of Finance indicate what policies the government is prepared to embark on so as to establish Canadian manufacture of automatic transmissions before the expiry date of October 31 for the free entry into Canada of American manufactured automatic transmissions?

2. If the government is not considering the manufacturing of automatic transmissions in Canada by way of a crown corporation, will the government take steps to bring this about, or is it definite government policy to leave such an operation to other auspices for manufacturing?

Mr. Grafftey: I ask that this question stand pending a future announcement of government policy.

Mr. Speaker: Answered.

WATER LEVEL CONTROL, LAKE TIBLEMONT, QUE.

Question No. 270—**Mr. Laprise:**

Have plans been made to control the water level of lake Tiblemont so as to assist navigation on the said lake, and on the Bell river and, if so, will such works be undertaken in the near future?

Answer by: **Mr. McCleave:**

The department has drawn up no plans for the regulation of water levels along the Bell river system, including lake Tiblemont.

SENNETERRE, QUE.—LAUNCHING RAMP AND WHARVES

Question No. 271—**Mr. Laprise:**

1. Has the Department of Public Works been requested to build a launching ramp and wharves at Senneterre and, if so, on what date?

2. Have such requests been approved?

3. When are such works to be undertaken?

Answer by: **Mr. McCleave:**

1. The construction of a launching ramp and the installation of lights on the Senneterre wharf were requested on July 20, 1961.

2. Yes.

3. Lights were installed in 1962 and the construction of the ramp will depend on the provision of funds in the estimates of 1963-64.

PERSONAL SAVINGS—BANK NOTES IN CIRCULATION

Question No. 272—**Mr. Bernier:**

1. What is the total amount deposited in the personal savings accounts of the chartered banks?

2. What is the amount of the Bank of Canada notes, and other notes in circulation?

Answer by: **Mr. Grafftey:**

(Translation):

1 and 2. This information is available in the Bank of Canada Statistical Summary for August 1962, page 475.

(Text):

*NOTICE OF SENATE APPOINTMENTS

Question No. 274—**Mr. Pickersgill:**

1. On what date were orders in council approved by His Excellency the Governor General appointing J. Campbell Haig, Q.C., of Winnipeg, and Harry Albert Willis, Q.C., of the county of Peel, to the Senate?

2. On what date were the said appointments published?

3. What public interest was served by the delay in the publication of these appointments to the parliament of Canada by the representative of the Queen?

Mr. Diefenbaker:

1. June 15, 1962.

2. In the *Canada Gazette*, part I, of July 14, 1962.

3. The appointment of Senator Haig was confirmed on June 26, 1962 and announcement of the appointment of Senator Willis was made on June 28. Formal publication in the *Gazette* is merely legal confirmation.

ADMIRAL'S BEACH, NFLD., BREAKWATER

Question No. 277—**Mr. Cashin:**

Has any action been taken by the Department of Public Works to establish a breakwater at Admiral's Beach, St. Marys bay, and, if so, what are the details in respect of such action?

Answer by: **Mr. McCleave:**

No. However, the department plans to investigate the possibility of constructing an addition to the existing wharf at Admiral's Beach.

CASTLE HILL, NFLD.—RECOGNITION AS HISTORIC SITE

Question No. 278—**Mr. Cashin:**

What representation, if any, has the Minister of Northern Affairs and National Resources received relative to the recognition of Castle Hill, Placentia bay, as a national historic site?

Answer by: **Mr. Dinsdale:**

Representations in regard to the commemoration of Castle Hill at Placentia has been received from such organizations as the Newfoundland historical society and the star of the sea association of Placentia, warmly supported, I might say, by the hon. member for St. John's East. This was also a matter of great personal interest to the former member for St. John's West who discussed it with me on several occasions. The proposal was put forward originally by the Newfoundland government and considered by the historic sites and monuments board of Canada at its meeting last May. The board instructed its secretary to make an on the spot survey of the site. This has been done and a report has been prepared which will be studied at the next meeting of the board.

ST. BRIDE'S, NFLD.—BREAKWATER

Question No. 279—**Mr. Cashin:**

1. Who was awarded the contract by the Department of Public Works to effect repairs to the breakwater at St. Bride's, Placentia bay?
2. Why was work stopped?
3. What portion of the contract was fulfilled?
4. What steps are now being taken to complete the job?

Answer by: **Mr. McCleave:**

1. The Springdale Construction Company Limited, Springdale, Nfld.

2. The contractor stopped work on this project claiming that all possible sources of rock, which was required for the works, had been exhausted.

3. The cribwork repair portion of the project was completed but only about 4,650 tons of the specified quantity of 35,000 tons of rock required has been placed on the seaward faces of both breakwaters.

4. The contractor and the bonding company have been notified that work on this contract must be recommenced at once.

INCORPORATION OF CO-OPERATIVES

Question No. 283—**Mr. MacInnis:**

Is it the intention of the government to introduce legislation dealing with incorporation of co-operatives during this session and, if so, is the said legislation in the nature of a separate co-operatives act or a separate part of the Dominion Companies Act?

Answer by: **Mr. Halpenny:**

This is a matter of government policy about which any announcement that is to be made will be made in the proper course.

INSURANCE FOR DOMESTIC CONSUMPTION

Question No. 286—**Mr. Marcoux:**

Has the government given consideration to the possibility of establishing an insurance scheme for credits applicable to the domestic consumption of Canadian products?

Answer by: **Mr. Grafftey:**

No.

BATHURST, N.B., HARBOUR DREDGING

Question No. 289—**Mr. Robichaud:**

Has a recent survey been made of the entrance and of the main channel leading to Bathurst harbour, Gloucester county, N.B., and, if so (a) on what date was such a survey completed (b) has any decision been reached to proceed with further dredging of the channel in order to facilitate the entrance of larger ocean going vessels (c) when is such dredging expected to be proceeded with?

Answer by: **Mr. McCleave:**

(a) May 25, 1962.
(b) No.
(c) Answered by (b).

OYSTER TRANSPLANTING, NEW BRUNSWICK AND NOVA SCOTIA

Question No. 290—**Mr. Robichaud:**

1. From 1957 to date, what was the total quantity of resistant breeding stock oysters transplanted to each of the disease-devastated areas of New Brunswick and Nova Scotia?
2. Was any distribution of transplanted oysters made after May 20, 1962, and if so, what quantity was transplanted to each of the diseased areas in N.B. and N.S.?
3. Is it the intention of the Department of Fisheries to carry on with this transplantation program during 1963?
4. What was the yearly landed and marketed value of oysters for each of the maritime provinces for the years 1946 to 1961 inclusive.

Answer by: **Mr. MacLean (Queens):**

1 to 4.

TRANSPLANTS OF RESISTANT OYSTERS MADE TO DISEASE-DEVASTATED AREAS IN NEW BRUNSWICK AND NOVA SCOTIA

in barrels

Area planted	1957	1958	1959	1960	1962	Total
New Brunswick						
Shippegan area	1,000	100	—	—	—	1,100
Caraquet bay	—	—	1,075	525	—	1,600
Lameque bay	—	—	300	—	—	300
Miramichi bay	—	2,800	200	—	—	3,000
Miscou harbour	—	—	—	—	700	700
Kent County areas	—	1,500	300	—	—	1,800
Shediac bay	—	—	—	9	300	309
Tracadie bay	—	—	—	200	—	200
	1,000	4,400	1,875	734	1,000	9,009
Nova Scotia						
Wallace-Malagash	500	—	—	—	—	500
Caribou harbour	—	55	380	—	—	435
Pictou harbour	—	45	—	—	—	45
Amet sound	—	—	1,000	—	—	1,000
Merigomish harbour	—	—	—	140	—	140
	500	100	1,380	140	—	2,120
Total	1,500	4,500	3,255	874	1,000	11,129

The following transplants were made after May 20, 1962,—

May 21 to Miscou harbour	190	barrels
May 25 to Miscou harbour	163	"
May 31 to Miscou harbour	191	"
June 5 to Shediac bay	131	"
June 13 to Shediac bay	177	"

There were no transplants during 1961.

The department does not intend to make any further transplants of disease-resistant oysters during 1963.

LANDED VALUE AND MARKETED VALUE OF OYSTERS, BY PROVINCES, 1946-1961

Year	Prince Edward Island		Nova Scotia		New Brunswick		Total Maritimes	
	Landed Value	Marketed Value	Landed Value	Marketed Value	Landed Value	Marketed Value	Landed Value	Marketed Value
	$	$	$	$	$	$	$	$
1946	99,212	120,550	34,602	46,468	183,398	218,667	317,212	448,685
1947	105,500	139,400	27,500	40,000	193,400	296,800	326,400	476,200
1948	122,500	174,700	33,700	46,400	261,200	423,200	417,400	644,300
1949	100,300	115,100	34,300	50,400	282,600	427,500	417,200	593,000
1950	106,700	167,400	33,400	47,500	207,800	261,800	347,900	476,700
1951	71,200	96,900	38,600	44,800	268,300	372,800	378,100	514,500
1952	87,300	157,300	48,300	48,300	275,000	375,600	410,600	581,200
1953	137,100	185,000	46,400	46,400	280,600	398,700	464,100	630,100
1954	128,300	200,100	32,700	32,700	137,000	216,300	298,000	449,100
1955	139,200	204,600	31,300	43,400	160,200	297,200	330,700	545,200
1956	203,500	275,300	20,700	26,400	125,800	149,800	350,000	451,500
1957	155,400	304,100	37,500	40,700	115,100	86,200	308,000	431,000
1958	263,000	308,100	19,600	28,400	19,700	27,300	302,300	363,800
1959	399,000	427,100	64,200	64,100	9,600	11,000	472,800	502,200
1960	360,700	374,400	41,700	37,300	500	9,400	402,900	421,100
1961	405,100	393,700	44,100	25,800	6,200	10,100	455,400	429,600

Questions

GERM WARFARE EXPERIMENTAL STATIONS

Question No. 297—**Mr. Matheson:**

Does the government operate a germ warfare experimental station or stations and, if so, where, why, and what is the total cost of these operations during the last three years?

Answer by: **Mr. Harkness:**

The defence research board of the Department of National Defence has a program of research to evaluate the hazard to service personnel and to civilians from attack by biological agents, and to develop means of detection and prophylaxis and therapy against such agents. This program is carried out at Suffield experimental station in Alberta, and at defence research chemical laboratories in Ottawa and defence research Kingston laboratories.

For security reasons the information regarding the cost of these operations cannot be divulged in greater detail than in the estimates.

*INVESTIGATIONS OF FOREIGN FISHING BOATS

Question No. 300—**Mr. Robichaud:**

Were any searches or investigations made by fisheries officers on foreign registered trawlers or seiners operating in the gulf of St. Lawrence or bay of Chaleur area from April 1, 1962, to date and, if so (a) on what dates were such patrols or searches carried on (b) have any violations been reported and, if so, what was the nature of such violations (c) what action has been taken by the fisheries department to protect Canadian fishermen against such operations?

Mr. MacLean (Queens): Mr. Speaker, assuming the second last word in the first line to be "for" instead of "on", the answer is yes. No investigations or searches were made in the gulf of St. Lawrence or bay of Chaleur areas actually on board any foreign registered trawlers. The answer to part (a) is July 18, 19, 20, 23, 24, 25, August 28 and September 5, 6 and 15. The answer to part (b) is no. The answer to part (c) is: A fleet of patrol vessels is operated on the Atlantic seaboard, part of the duties of which is enforcement of the provisions of the Coastal Fisheries Protection Act. Reports of contraventions of the act are promptly investigated. Air patrol is used, where necessary, to supplement the work of the water patrol.

*WINTER WORKS PROGRAM, MARITIME PROVINCES

Question No. 301—**Mr. Rideout:**

Will the government consider including hospital and school construction in the winter works program to help relieve unemployment in the maritime provinces?

Mr. Hales: The scope of the municipal winter works incentive program has been broadened from time to time so that it now includes any capital undertaking of a municipality except work on schools and school grounds, hospitals and hospital grounds, subway transportation systems and municipally owned buildings used for industrial or business purposes under private auspices.

The federal government is making substantial contributions to the provinces in respect of certain phases of education as well as towards hospital construction and it is not intended at this time to further broaden the scope of the municipal winter works incentive program.

WORLD HEALTH ORGANIZATION

Question No. 302—**Mr. Marcoux:**

1. Is Canada contributing financially to the world health organization?
2. Has Canada authorized the world health organization to promote water fluoridation in the city of Ottawa?

Answer by: **Mrs. Casselman:**

1. Canada, as a member of the world health organization, contributes annually toward the budget of that organization. The budget is determined in accordance with the provisions of the world health organization's financial regulations (article 5.3), and member nations are assessed accordingly.

2. No.

JACQUES CARTIER-LASALLE COUNTY, QUE.—SMALL BUSINESSES LOANS

Question No. 303—**Mr. Rock:**

1. What is the number of loans made in 1960-61 under the Small Businesses Loans Act in the county of Jacques Cartier-Lasalle?
2. What was the amount of each loan?
3. How many requests for loans were rejected?
4. What were the reasons for rejection?

Answer by: **Mr. Grafftey:**

1. Information on loans is not assembled to provide a detailed breakdown by local areas.
2. Answered by 1.
3. Not known.
4. Not known.

WORLD'S FAIR SITE

Question No. 309—**Mr. Rock:**

Will the government give consideration to using vacant land in the county of Jacques-Cartier-Lasalle, on the western side of the island of Montreal, as the site for the 1967 world's fair?

Answer by: **Mr. Sevigny:**

Since no decision has been made regarding the location of the proposed world's fair in 1967, any consideration of the site would be premature at this time.

BAIT DEPOTS, NEWFOUNDLAND

Question No. 311—**Mr. Cashin:**

Does the government have any plan to increase the number of bait depots now in operation in the province of Newfoundland?

Answer by: **Mr. MacLean (Queens):**

The government's progress of extension of bait distribution services in Newfoundland has been through the establishment of bait holding units or walk-in freezers rather than bait depots. Over the past four years the service has been doubled from 20 to 40 distribution points. These facilities will be extended as required but at the same time transport facilities by boat and truck must be expanded. Currently tenders are being called for a large refrigerated vessel to replace the 40-year old *Arctica*.

STATION "D", TORONTO

Question No. 314—**Mr. Cameron (High Park):**

1. For what purpose is the old station "D" (High Park riding, Toronto), situated at the corner of Dundas and Keele streets, being used at the present time?

2. Can accommodation be found in other government buildings located in the area to enable the building to be declared surplus?

Answer by: **Mr. McCleave:**

1. The building presently accommodates a unit of the Department of Agriculture, health of animals branch and living quarters for a caretaker.

2. No. However, a general survey of accommodation in Toronto has been initiated with the objective of relocating the Department of Agriculture as soon as possible.

CF-105 CHARACTERISTICS

Question No. 319—**Mr. Herridge:**

What were the capabilities of the late CF-105 "Arrow" with regard to (a) range (b) altitude (c) speed (d) high and low altitude performance (e) search radar (f) armament?

Answer by: **Mr. Harkness:**

Questions

(a)—(i) Subsonic combat radius, 506 nautical miles; (ii) Supersonic combat radius, 354 nautical miles.

(b)—Combat ceiling, 61,400 feet.

(c)—(i) Subsonic cruise, mach, 0.92; (ii) Supersonic cruise, mach, 1.5.

(d)—The Arrow was designed as a high altitude interceptor, and, as is the case, with all modern jet interceptors, its performance at various altitudes was dependent upon the mission being flown. See para (a) and (c).

(e)—The maximum detection range of the search radar on an appropriate target was 34 nautical miles.

(f)—The armament proposed for use on the Arrow was 8 Falcon missiles or 4 Sparrow missiles.

*CIVIL DEFENCE WARNING SIRENS

Question No. 320—**Mr. Hellyer:**

How many civil defence warning sirens are now operational in Canada?

Mr. Harkness: Since the program for installation of warning sirens is still in progress, the exact number operational at a given date is not available at headquarters. One thousand three hundred and twenty eight sirens have been or are in the process of being installed.

CRIMINAL CODE PROSECUTIONS

Question No. 323—**Mr. Berger:**

1. How many prosecutions have been brought, and how many convictions were made, in each of the years 1956 to 1961 inclusive, upon charges laid under the following sections of the criminal code of Canada: (a) 204 (b) 208 (c) 209 (d) 214 (e) 237, subsection (1) (f) 237, subsection (2) (g) 238?

2. In how many cases did prosecutions under section 237, subsection (1), and section 237, subsection (2), arise out of the same incident?

Questions

Answer by: **Mr. Nesbitt:**

1. Prosecutions not available; charges given instead.
Data not available for 1961.
Data for c.c. 214 not available separately
(includes 215—concealing dead body)
Data for c.c. 237 not available separately
(includes 238—supplying noxious things)

NUMBER OF CHARGES AND OF CONVICTIONS—1956-1960
(as reported to DBS)

	Infanticide C.C. ss. 204–208		Killing unborn child C.C. s. 209		Neglect in childbirth and concealing dead body C.C. ss. 214–215		Abortion and attempt and supplying noxious things C.C. ss. 237–238	
Year	Chges.	Conv.	Chges.	Conv.	Chges.	Conv.	Chges.	Conv.
1956.....	1	—	—	—	15	8	28	16
1957.....	5	3	16	—	10	9	42	34
1958.....	3	2	7	6	9	9	19	12
1959.....	1	1	4	2	3	3	37	29
1960.....	2	1	—	—	4	4	48	32

2. Not available.

COUNTRIES TO WHICH BALL BEARING EXPORTS PROHIBITED

Question No. 324—**Mr. Cameron (Nanaimo-Cowichan-The Islands):**

What countries are on the area control list, established under authority of the Export and Import Permits Act, to which the export of ball bearings is prohibited?

Answer by: **Mr. Nesbitt:**

The following is the list of countries on the area control list:

Albania, Bulgaria, China, including Manchuria but excluding Taiwan (Formosa), Czechoslovakia, Estonia, Germany (Soviet zone only), Hungary, Latvia, Lithuania, Mongolia, North Korea, North Viet-Nam, Poland, Rumania, Sinkiang, Tibet, Union of Soviet Socialist Republics.

The export of ball bearings to area list countries is subject to the issuance of an export permit. It may be presumed that permits will not be granted for exports to area list countries of bearings described in item 6-1 or group 8 part 1 of the export control list.

[Mr. Berger.]

RESTIGOUCHE-MADAWASKA COUNTY, N.B.—FARM LOAN APPLICATIONS

Question No. 325—**Mr. Dube:**

1. How many applications for farm loans have been made in the county of Restigouche-Madawaska since June 1957?

2. How many of said applications have been (a) approved (b) declined?

Answer by: **Mr. Jorgenson:**

1. 87.
2. (*a*) 81.
(*b*) 4.

Two withdrawn at the request of the applicants.

FRENCH APPLICATION FORMS FOR TRANSPLANT OF FISH

Question No. 326—**Mr. Dube:**

Is the Department of Fisheries supplying French application forms for the transplantation of fish in private or public water and (a) if so are such applications made in the French language accepted by the fish culture branch, maritimes area (b) if not, what are the reasons given for such applications not being accepted?

Answer by: **Mr. MacLean (Queens):**

Yes.
(*a*) Yes.
(*b*) Not applicable.

*ROAD TO RESOURCES, NORTHWESTERN ONTARIO

Question No. 328—**Mr. Badanai:**

Has a start been made on the 220 miles road to resources across north-western Ontario which the Minister of Northern Affairs and National Resources announced last June before the Canadian Institute of Mining and Metallurgy and, if so, how many miles of it have been completed?

Mr. Dinsdale: Mr. Speaker, work has been carried out through aeromagnetic surveys and geological reconnaissance to determine the mineral potential of the area and to select the most promising and most economical route for this important road. I am advised that the province hopes to complete the first 40 miles north from Pickle Crow during next year's construction season and make a start on the next leg of the road.

*ST. SIMEON, QUE.—WHARF CONSTRUCTION

Question No. 332—**Mr. Belanger:**

1. Has money been voted for the construction of a new wharf at St. Simeon, county of Charlevoix and, if so, what is the amount?
2. Is it the intention of the Minister of Public Works to have the construction work started this fall?

Mr. McCleave: No.

SUBSIDY ON CORN TO MARITIME PROVINCES

Question No. 339—**Mr. MacInnis:**

1. Has a decision been made regarding the extension of the subsidy on corn moving to the maritime provinces?
2. Where are supplies of corn available in the maritime provinces?

Answer by: **Mr. Jorgenson:**

1. Yes. This corn assistance was instituted for the period April 16 to September 30. Because a large volume of corn moved, and feed grades of wheat were moving forward from the lakehead to eastern Canada, it was decided not to extend the period for assistance.

2. Retailers acquired corn in September in large volume, probably to the extent of storage. In addition, premium quality corn, which was not intended for feed, is in store at Halifax and which it is understood is available. Wheat of feed grades is available in Halifax and a boat with additional quantities was expected to arrive over the week-end.

NEW WATERFORD, N.S.—PERMANENT FISHING INDUSTRY

Question No. 342—**Mr. MacInnnis:**

Has any representation been received from the New Waterford-Barrachois improvement association asking the government for assistance in developing a permanent commercial fishing industry in this area and, if so, what action does the government plan to take in this regard?

Answer by: **Mr. MacLean (Queens):**

No.

Questions

EXPORT CREDITS INSURANCE TO DOMINION STEEL AND COAL

Question No. 344—**Mr. MacInnis:**

1. What is the total amount, in Canadian dollars, of credit presently outstanding under the Export Credits Insurance Act as a result of the assistance provided under this act in securing export sales for steel products of the Dominion Steel and Coal Company operations in Sydney, N.S.?
2. Are any requests for further credit assistance under the terms of this act presently before the government on behalf of the Dominion Steel and Coal Company or any other subsidiary of Hawker Siddeley of Canada Limited and, if so, what is the amount involved?

Answer by: **Mr. Nesbitt:**

1. The corporation's total outstanding liabilities and commitments at September 30, 1962 amount to $23.6 million Canadian.

2. It is not the practice of the corporation to supply information concerning requests for insurance and financing since there is a serious danger of prejudicing the negotiations of the Canadian exporter.

ALL-CANADA INSURANCE CARD

Question No. 349—**Mr. Mather:**

As there is no insurance card for motorists which is recognized across Canada as proof of financial responsibility, will the government give leadership to the end that an all-Canada agreement will be reached at an early date in line with the increasing need for same following the opening for use of the trans-Canada highway?

Answer by: **Mr. Grafftey:**

Insurance coverage is normally effective without geographical limitations.

*CANADIAN REPRESENTATIVES, RICHELIEU-CHAMPLAIN BOARD

Question No. 350—**Mr. Cardin:**

1. What are the names of each of the members and their assistants who will represent Canada on the Richelieu-Champlain waterway international board set up by the international joint commission to study the Richelieu canal project?
2. What is the place of residence of the Canadian representatives on this board?
3. When and where will this board meet?
4. What are the precise terms of reference of this board?

Mr. Macquarrie: On inquiry, I am informed by the chairman of the Canadian section, international joint commission, as follows:

1. Canada: G. A. Scott, assistant deputy minister, Department of Transport, Ottawa, chairman; G. Millar, chief, harbours and rivers engineering branch, Department of Public Works, Ottawa, member; District engineer, Department of Public Works, Montreal, alternate member; R. H. Clark, chief hydraulic engineer, water resources branch, Department of Northern Affairs and National Resources, Ottawa, member.

2. As indicated in 1.

3. Members of the board will be meeting from time to time as their studies progress and as the situation requires. Meetings of the two chairmen have already taken place and, as is cutomary with the I.J.C. advisory bodies, informal consultations are a continuing process. The board itself will determine its own schedule of meetings in accordance with the requirements.

4. It has not been customary to make public in advance of preparation of reports the actual directives given by the international joint commission to their subordinate bodies; nor is it regarded as appropriate so to do at the present stage of a reference. However, it can be said, with the consent of the United States section of the commission, that the international Champlain waterway board has been directed by the I.J.C. to carry out the technical investigations necessary and also, in scheduling the various phases of investigation and study, to examine carefully the economic consequences of such an improved waterway and its effects in both countries; also to begin its studies immediately and to keep the commission currently informed of development and progress.

C.N.R. SET-OFF YARD, TORONTO—ALTERNATE SITE

Question No. 358—**Mr. Sams:**

In view of the fact that strong representation has been made by Mr. Kenneth Wharton, president of the Aldershot property owners association, on a petition bearing the signatures of some five thousand residents of the town of Burlington in opposition to a proposed set-off yard of the Canadian National Railways, what action is being taken by the Department of Transport in an effort to find an alternative site, and consequently prevent this proposal from deteriorating the valuable residential property of this area?

Mr. Sams: I ask permission of the house to withdraw this question.

Some hon. Members: Agreed.

Order discharged and question withdrawn.

VIOLATION OF THREE MILE LIMIT BY FOREIGN TRAWLERS

Question No. 371—**Mr. Cashin:**

How many reports, if any, of foreign trawlers violating the three mile limit have been received by the government, and what action has the government taken in respect of each report?

Answer by: **Mr. MacLean (Queens):**

The government receives many reports, most of them oral, of foreign trawlers allegedly violating the three mile limit, particularly in the spring of the year. The Department of Fisheries maintains a fleet of patrol boats which keeps a constant check on foreign trawler operations along the coast. The department also has access to aircraft for use on patrol to check specific reports or for operation when foreign trawlers are in numbers close to the three mile limit. In addition to general patrol work, specific complaints when received are investigated. In March of this year two Spanish trawlers with fishing gear in operation inside the three mile zone were sighted and identified by personnel on departmental vessels. The master of one of these, the *Santa Rita*, had to answer to a charge under the Coastal Fisheries Protection Act when he next visited the port of St. John's, Newfoundland. He was fined $200. The magistrate took into consideration radar troubles aboard the trawler and the fact that it was only one half mile inside the three mile zone. Proceedings will be taken against the second vessel if it appears in a Canadian port.

COMMUNITY STAGES, ST. JOHN'S WEST, NFLD.

Question No. 372—**Mr. Cashin:**

How many representations, if any, have been received from the district of St. John's West to have community stages constructed in that district, and from whom have they been received?

Answer by: **Mr. MacLean (Queens):**

Five. All representations received from Hon. W. J. Browne.

*ABITIBI, QUE. SLAUGHTERHOUSE

Question No. 373—**Mr. Laprise:**

Has the Department of Agriculture received an application for a grant for the construction of a slaughter house in Abitibi and, if so, who was the applicant, and how was the application disposed of?

(Translation):

Mr. Pigeon: Mr. Speaker, the answer is no.

(Text):

*C.M.H.C. LOANS, QUEBEC

Question No. 376—**Mr. Lamy:**

1. How many loans have been granted in the province of Quebec by Central Mortgage and Housing Corporation?
2. How many loans have been refused by the said corporation, and on what grounds?
3. How many purchasers have lost their homes because they have failed to meet their payments?
4. Does the government intend to amend the act so that those earning up to $2,500 per year may benefit from it?

Mr. Fulton: Mr. Speaker, with respect to net loans approved under the National Housing Act in the period 1954 to September 1962 in the province of Quebec, the answer with respect to part 1 is as follows: Those by approved lenders insured by C.M.H.C., 47,219 loans, for a total of 55,612 units and a total amount of $518,078,000; loans by C.M.H.C., 24,730 for a total of 33,646 units, and a total amount of $330,107,000. The aggregate then, under the National Housing Act is 71,949 loans for 89,258 units in the total aggregate amount of $911,185,000.

The answer to part 2 is that the information is not available. With respect to part 3, the

answer is that out of this great number of loans 223 purchasers have lost their homes because they failed to meet the payments.

The answer to part 4 is that the National Housing Act already contains provision for aid to families of low income.

*BONAVENTURE DISTRICT, QUE.—FARM LOAN APPLICATIONS

Question No. 380—**Mr. Bechard:**

Since 1958, how many applications for loans has the Farm Credit Corporation received from the district of Bonaventure, and of this number, how many were approved, and what was the amount in each case?

(Translation):

Mr. Pigeon: Mr. Speaker, five applications have been received. Three have been rejected and the other two have been approved by the Farm Credit Corporation, one amounting to $5,000 and the other to $3,200.

(Text):

QUESTIONS PASSED AS ORDERS FOR RETURNS

COLUMBIA RIVER POWER—SALE OF DOWNSTREAM BENEFITS

Question No. 192—**Mr. Berger:**

1. Did talks take place this year between officials of Canada, the United States, and British Columbia, or between officials of any of them, regarding the sale to the United States of the downstream benefits which Canada would acquire under the Columbia river treaty and, if so, did these talks cover the question of what price or prices would be paid for said downstream benefits?
2. Has the government reached agreement with the province of British Columbia as regards the sale, on a long term basis, of downstream benefits under the Columbia river treaty, to the United States?

*C.B.C. OFFICES, MONTREAL

Question No. 207—**Mr. Rinfret:**

1. What are the addresses of the various offices of the Canadian Broadcasting Corporation in Montreal?
2. How many of these offices are rented?
3. What is the total monthly rent paid for the said offices?

Mr. Halpenny: Return tabled.

SUPPLIES OF COAL, B.C.

Question No. 261—**Mr. Herridge:**

1. What quantities, by grade, of coal were exported from Canada in 1960, 1961, and to date in 1962?
2. What quantities, by grade, of coal were available to coal dealers and consumers in British Columbia in 1960, 1961, and to date in 1962?
3. Have any complaints been received from coal dealers and consumers in B.C. with respect to difficulties in obtaining good furnace coal since January 1, 1960, and, if so, what action has been taken?

*PROGRAMS ON PRIVATE STATIONS AFFILIATED WITH C.B.C.

Question No. 264—**Mr. Rynard:**

1. When privately owned radio stations are affiliated with a C.B.C. network, can the C.B.C. dictate the C.B.C. programs such stations must carry, and can broadcasting licenses be cancelled for failure to comply with such instructions?
2. Have any religious programs on local private stations been replaced by sports and other secular programs as a result of such affiliation?
3. Has any long standing 15 minute devotional program been cut to five minutes as a result of such affiliation?

Mr. Halpenny: Return tabled.

GRAIN EXPORTS

Question No. 266—**Mr. Thompson:**

1. What have been the total exports of (a) wheat and wheat flour (b) all grains, from Canada during the periods 1952 to 1956, 1957 to 1961, and since January 1, 1962, in terms of both volume and dollar value?
2. During each of these periods, what quantity of grains (broken down as above) was exported to countries under communist domination?
3. What was the value of such exports?
4. What is (a) the maximum amount of credit that has been advanced to finance such exports to countries under communist domination (b) the present amount of credit outstanding in connection with such exports?

*INTERIOR CONTRACTING CO., PENTICTON, B.C.

Question No. 267—**Mr. Howard:**

Since January 1, 1957, has Interior Contracting Co. Ltd., of Penticton, B.C., received any money for any work done for the federal government and, if so, how much money by dates of payment and purpose?

WAR CLAIMS FUND

Question No. 273—**Mr. Pickersgill:**

1. Has a slave labour allowance been paid to the ex-prisoners of war captured at Hong Kong and, if not, is the payment of such an allowance under active consideration?
2. Has a benevolent fund been set up for ex-prisoners of war captured at Hong Kong from the war claims fund as recommended by the veterans affairs committee of the House of Commons and, if not, why not?
3. What amount has been paid from the war claims fund to each approved claimant?
4. What claims are still outstanding, and what is the amount of each such claim?
5. What has been the cost to the war claims fund of administration of the fund?
6. What is the balance in the war claims fund at present?

*ST. JOHN'S WEST, NFLD.—BUILDING PROGRAM

Question No. 281—**Mr. Cashin:**

1. What changes are contemplated in the building program of the federal government in the district of St. John's West, in consequence of the government reduction in spending?
2. What part of this program will be carried out in St. John's West?

Questions

RELEASES FROM ARMED SERVICES

Question No. 284—**Mr. MacInnis:**

1. How many persons with less than 20 years' regular and wartime service have been released with pension from each of the armed services during each of the years since 1955?
2. Were any of these persons released because of inefficiency or misconduct and, if so, how many in each year, in each service, and for what reason?
3. How many persons with over 20 years' regular and wartime service have been honourably released from each of the armed services without entitlement to a pension since 1955?

PULPWOOD PRICES, MARITIME PROVINCES

Question No. 285—**Mr. MacInnis:**

1. Would the government indicate if it is their intention to introduce support prices for farm-cut pulpwood?
2. Has the government studied the question of the prices paid for pulp since the restrictive trade practices commission investigation of a few years ago?
3. Has the government received any representations on this matter in relation to the price paid for pulpwood in the maritime provinces and, if so, when, from whom, and to what effect?

INDIAN AFFAIRS—REDUCED EXPENDITURES

Question No. 295—**Mr. MacEachen:**

Have any cut-backs in current expenditures been authorized in the Indian affairs branch, or any other department of government, connected with Indian affairs as a result of the general policy of the government to reduce outlays?

RAILWAY LEVEL CROSSINGS

Question No. 299—**Mr. Peters:**

1. How many railway crossings are there in Canada in each of the following categories (a) first class highways (b) second class highways, and (c) secondary roads?
2. How many in the riding of Timiskaming?
3. How many of these are protected by (a) light and/or signal (b) underpasses (c) overpasses?
4. Is it a policy of the Department of Transport to authorize new highway construction without demanding an overpass or underpass?

PORTNEUF COUNTY, QUE.—FEDERAL PROJECTS

Question No. 318—**Mr. Frenette:**

1. What works are being carried out at the present time by the federal government in the county of Portneuf?
2. What are the names of the contractors carrying out these works?
3. What sum of money has been granted for each such work?

EMPLOYEES IN X-RAY DEPARTMENTS OF FEDERAL HOSPITALS

Question No. 321—**Mr. Berger:**

1. Since the civil service regulations under the new Civil Service Act came into effect on April 1, 1962, have any employees working in X-ray departments of federal hospitals been found to be in need of leave because of exposure to radioactivity and, if so, how many?
2. In each case (a) when was the finding made (b) when did the employees leave begin (c) what was the length of each employees leave?
3. How often do physical examinations of such employees take place?

[Mr. Cashin.]

CANADIAN ARMED FORCES RETIREMENTS

Question No. 327—**Mr. Matheson:**

1. What is the average retirement age of regular army personnel, and what is the average length of service?
2. Are retired army personnel subject to recall?
3. How many army, navy and air force personnel have been retired from active service since April 1, 1961?
4. Did the government consult with the NATO command prior to August 24, 1962, when the Minister of National Defence announced cuts in the Canadian armed forces?

*PAYMENTS BY C.B.C. TO MRS. JEANNE SAUVE

Question No. 334—**Mr. Beaule:**

1. What amount of money has Mrs. Jeanne Sauve earned with the Canadian Broadcasting Corporation since she has been employed by the said corporation?
2. Is Mrs. Jeanne Sauve the wife of the hon. member for Îles-de-la-Madeleine?

Mr. Halpenny: Return tabled.

CITIZENSHIP CERTIFICATES TO CHINESE—TIME LAPSE

Question No. 352—**Mr. Howard:**

With respect to the answer given to question 31 on October 17 and the 573 people of Chinese origin referred to therein who were granted certificates of citizenship between January 1 and June 30, 1962, and to the period of time which elapses between the exam for citizenship before a judge and the issuance of the said certificate, what period of that time lapsed with respect to each of the said people of Chinese origin expressed by groups in units of weeks and/or years, as the case may be?

FEDERAL NICKEL PURCHASES

Question No. 360—**Mr. Godin:**

Did the government, directly or indirectly, or any agency or crown corporation, purchase any Canadian nickel in the years 1958, 1959, 1960, 1961, 1962, and, if so, what quantities, and for what amount in each of the said years for (a) defence production (b) research (c) international aid (such as, Colombo plan, etc.) (d) for all other purposes?

POSTAL SERVICE, ST. GEORGES EAST, QUE.

Question No. 375—**Mr. Perron:**

1. Have the municipal authorities of St. Georges East, county of Beauce, applied to the postmaster general to have door to door delivery and, what are the department's intentions in that regard?
2. What is the total maintenance cost of the post office of St. Georges West?
3. What decision has been reached concerning the construction of a post office in Beauceville?
4. What was the price paid for the land purchased for the said post office?

BUSINESS OF THE HOUSE

PROCEDURE TO PROVIDE FOR DISCUSSION OF ECONOMIC MATTERS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I wonder if I could direct anew my question to the house leader, and ask him whether

he and the government have given consideration to the proposal made from this side of the house on Friday evening, namely, that standing order 58 be invoked so that the Minister of Finance might make his presentation with the Speaker in the chair.

Hon. Gordon Churchill (Minister of Veterans Affairs): The part of standing order 58 to which the hon. member refers would be the announcement by the Minister of Finance that he is going to present a budget. We propose invoking standing order 58 to move into committee of ways and means, and my suggestion of Friday morning still stands.

Mr. Chevrier: May I ask this supplementary question. How then, in view of that decision, does the government justify this flagrant disregard of the rights of parliament in denying an opportunity to the opposition to test the financial policies of the government for this fiscal year?

Mr. Churchill: Mr. Speaker, this is entering into an argument at the wrong time in the proceedings of the house. There is no flagrant disregard of the rights of parliament at all. The last people who should talk about that are the people in the Liberal party.

Mr. Chevrier: May I ask—

Mr. Speaker: Order. I trust that the hon. member will ask a supplementary question and not continue what appears to be the start of a debate at this point. We are on orders of the day.

Mr. Chevrier: It is a supplementary question and it is not argumentative in the slightest degree, although I say to you, with respect, that under the particular circumstances in which we find ourselves now I think perhaps some latitude should be allowed. In any event, I will put my question. Does this mean, then, that we will in effect have a budget debate but without a budget?

Mr. Churchill: I do not see how this is possible. Hon. members may draw their own conclusions, but there has been a budget this year. We moved into ways and means—

Some hon. Members: But no debate.

Mr. Churchill: It was then debated by the Leader of the Opposition—

Mr. Pearson: Fifteen minutes.

Mr. Churchill: —and a representative of the C.C.F. party on two days. We will move into ways and means and consider the resolutions.

Mr. Chevrier: Mr. Speaker—

Mr. Speaker: The hon. member for Winnipeg North Centre has been getting the eye of the Chair, and I think perhaps I will come back to the hon. member later.

Mr. Stanley Knowles (Winnipeg North Centre): You are perfectly right, Mr. Speaker. When I was trying to get your eye, it was with a supplementary. We have moved on a bit, however, and I now rise merely to make this suggestion. It seems to me that a point of order is developing, but that this is not the moment for it. I would ask that when the order is called, Your Honour see and hear me, for I shall raise a point of order at the appropriate moment.

Mr. Chevrier: On the point of order, Mr. Speaker, may I say that I think the point is well taken. Will Your Honour then give an opportunity of raising a point of order when the item which will soon be under discussion is called; because if Your Honour rules that out of order then I believe, under the particular circumstances in which we find ourselves, there should be some further interrogation of the government.

Mr. Churchill: I hope Your Honour has understood the question as I have. The point of order would be raised when Mr. Speaker has left the chair and the chairman is in charge, according to the standing order.

Mr. Speaker: Order. I think I am being asked to rule on a hypothetical situation, because I have no knowledge yet of any point of order being actually raised of when the Speaker is to leave the chair because the Speaker, at the moment, does not see that he is going to leave the chair.

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Prime Minister whether it is the intention of the government to bring down a supplementary budget for the current financial year?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, when we arrive at that point of business the fullest information will be given in this connection, and the hon. gentleman will then be able to make whatever interpretation he chooses on the basis of the stand being taken.

Some hon. Members: Shame.

EXTERNAL AFFAIRS

INDIA-CHINA-CANADIAN POSITION FOLLOWING MILITARY ACTION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I wish to direct a question to the Prime Minister. In view of the serious military situation created by the invasion of a commonwealth

country by communist China and its military forces over the week end, will the government give an assurance that it will refrain from cutting aid to India under the Colombo plan during the coming year and that, during the period of hostilities, it will suspend shipments of Canadian grain to communist China and divert them instead to India?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, we in Canada at all times have been ready and willing to supply wheat to India when we have had a surplus. At no time has India expressed any desire to obtain any more wheat than she has been receiving. Indeed, the information that was given to me when I was in India was that so far as it was possible it was hoped that any assistance provided under the Colombo plan would be by way of those things that would permit of capital projects being proceeded with.

We still have an ample amount of wheat, and any time India requires wheat we will be in a position to supply it. That fact, however, should not induce us to break an existing contract with another country. To date the relationship between communist China and India is that of a continuation of a boundary dispute, and I am sure the hon. gentleman would be the last to ask the Canadian people to break an existing contract.

Mr. Thompson: Mr. Speaker—

Mr. Herridge: Mr. Speaker, may I put an original question supplementary to the last question raised, for clarification purposes?

Mr. Speaker: Is the question being raised by the hon. member for Red Deer a supplementary question?

Mr. Thompson: Yes, Mr. Speaker.

Mr. Herridge: Mine is for clarification.

Mr. Speaker: For clarification purposes, and then I will see the hon. member for Red Deer.

Mr. H. W. Herridge (Kootenay West): In view of Canadian Press reports that an Indian air force mission is on its way to Canada to explore the possibility of acquiring Caribou transport planes, and in view of the grave news of the attacks by China on India, would the Prime Minister inform the house whether any assistance has been requested by India?

Mr. Diefenbaker: Mr. Speaker, I may say there has been no official approach by the Indian government to the Canadian government for the purchase of any aircraft or other military equipment. As hon. members know, Canada has no formal commitments to India in the military field. However that does not deny us deploring the attacks that are being made against India at this time; and if the Indian government should approach us, in view of its situation and the fact that India is a fellow member of the commonwealth, we would certainly give such a request the fullest consideration.

Mr. Thompson: As a supplementary question—

Mr. Speaker: The hon. member for York North.

Mr. John Addison (York North): I wish to direct a question to the Secretary of State for External Affairs. Can the minister inform the house whether Canada will support any move for United Nations action with respect to the fighting now in progress between China and India?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, it would be premature for me to make any statement in reply to that question.

Mr. Thompson: Mr. Speaker, I desire to ask my supplementary question.

Mr. Speaker: I am sorry.

Mr. Thompson: May I ask the Prime Minister, in view of the full scale military operations by the military forces of communist China against India, is the government contemplating taking a different stand than it has taken on the sale of wheat to China, taking into account these developments?

Mr. Diefenbaker: Mr. Speaker, I think I made it very clear. I know, on the basis of what I read in the newspapers, that the hon. gentleman has strong feelings regarding the sale of wheat to China. However, there has been nothing in the nature of full scale, all out military operations as yet.

[*Later:*]

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Prime Minister whether, on the basis of the information which is available to the government alone, the government considers that an act of aggression has been committed against India.

Mr. Diefenbaker: Well, Mr. Speaker, naturally the viewpoint expressed by the Indian government is that there has been not only an act of aggression but a series of acts of aggression. Our relations and our experience with India in the past have shown that that country does place the true and appropriate facts before us.

BERLIN—INQUIRY AS TO INDICATIONS OF CRISIS

On the orders of the day:

Mr. Thomas R. Berger (Vancouver-Burrard): Mr. Speaker, may I respectfully direct a question to the Prime Minister. Last week the Prime Minister said there were indications that the Soviet union might shortly precipitate a new crisis in Berlin. Can the Prime Minister tell the house at this time what those indications were?

NATIONAL DEFENCE

REQUEST FOR OBSERVANCE OF PEACE WEEK

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): I wish to direct a question to the Prime Minister and I regret I have not given him notice of it. Has the Prime Minister received a letter from the Canadian campaign for nuclear disarmament over the signature of Hon. J. T. Thorson, requesting that the week of November 5 to November 11 be proclaimed "Peace Week" throughout Canada? If so, has he any statement to make concerning the request at this time?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I did receive a letter, and I informed Judge Thorson that while naturally we were all interested in doing anything that would achieve peace, a course had been followed by successive governments that a request to set aside a day or a week for an avowed purpose was not generally acceptable.

CARRIAGE OF NUCLEAR BOMBS OVER CANADA IN U.S. PLANES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of National Defence. I ask this question, Mr. Speaker, because it is of urgent importance to a good many Canadians, and I try to rationalize my desire for information with my respect for the rules. In view of a statement yesterday by the eminent nuclear physicist, Dr. Ralph E. Lapp, that an H-bomb with the power of 24 million tons of T.N.T. that was jettisoned over North Carolina January 24, 1961, came very close to exploding because five of its six safety devices failed, would the minister state whether United States planes carrying this type of bomb fly over Canada?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, first of all I would like to state that there is no confirmation whatsoever that that statement is correct. I notice that the United States defence department officials refused to accept or confirm it. So far as the latter part of the question is concerned, the situation in that regard has been made clear on many occasions in the past, and I am sure the hon. member must remember them. On June 3, 1958 the Prime Minister had this to say:

> In the passages to which I have referred the house was informed that United States bomber aircraft carry nuclear weapons over Canada only with prior permission from Canada; that each flight is dealt with separately by specific application, and there is no blanket authority; that the weapons are inactivated in order to avoid the possibility of accidents; and that the procedures being followed are unchanged from those which had been instituted by the previous government.

Mr. Charles M. Drury (St. Antoine-Westmount): Mr. Speaker, I should like to address a question to the Minister of National Defence. Has Canada given to the United States any undertaking, express or implied, that we will accept and use nuclear weapons on or from Canadian soil?

Mr. Harkness: Mr. Speaker, I have nothing to add to what has been said in connection with that whole question on numerous occasions here in the house during the past two or three years.

UNITED NATIONS

NUCLEAR TESTING—CANADIAN POSITION RESPECTING MEXICAN RESOLUTION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Secretary of State for External Affairs a question based on a reply he gave to a question asked of him on Friday last by the hon. member for Greenwood. My question is, in view of the minister's declaration that the government of Canada is opposed to nuclear tests with or without control, will the Secretary of State for External Affairs say that Canada will support the resolution now standing in the name of 30 nations which was tabled last Friday at the United Nations, and which calls on the nuclear powers to cease all nuclear weapons tests before January 1, 1963.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, we did not receive the text of that resolution until the week end, and it is still under consideration.

(Translation):

HOUSE OF COMMONS

REQUEST FOR FRENCH EDITION OF REVISED ESTIMATES

On the orders of the day:

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to direct a question to the Minister of Finance.

Inquiries of the Ministry

We have recently received the English version of the bluebook (revised estimates). Would it be possible to know when we will receive the French version?

(Text):

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, we receive the French copy as soon as possible. It has been the practice for many years since confederation to use the same type and thereby avoid a very heavy expenditure. To bring them out simultaneously would cost a good many thousands of dollars more. At least that has been the practice up to the moment, but I can tell my hon. friend that I have issued instructions that they be brought down as soon as possible, and I would hope the French text will be available in a few days.

COMBINES

AUTOMOTIVE SUPPLIES AND ACCESSORIES—ACTION ON RECOMMENDATIONS OF COMMISSION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to address a question to the Minister of Justice. What steps have been taken by the government to implement the recommendations of the restrictive trade practices commission contained in their recent report on an inquiry into the distribution and sale of automotive oils, greases, antifreeze, additives, tires, batteries, accessories and related products, and what further action does the government intend to take in this matter?

Mr. Speaker: Order. I think in this regard the hon. member had better put that question on the order paper.

(Translation):

AGRICULTURE

REQUEST FOR DIRECT GRAIN PURCHASES BY EASTERN FARMERS

On the orders of the day:

Mr. Bernard Dumont (Bellechasse): My question, Mr. Speaker, is directed to the Minister of Agriculture. Could the Canadian wheat board allow eastern farmers to buy feed grain from western farmers directly?

Mr. Speaker: This is a question which, in my opinion, calls for an interpretation of the act by the Minister of Agriculture, or a statement of policy from the government. I believe that the hon. member should have his question placed on the order paper.

Mr. Dumont: The reason is, Mr. Speaker, that if the 92,000 farmers who earn under $1,200 a year were given such an opportunity, they would buy some without delay.

[Mr. Gregoire.]

Mr. Dupuis: This afternoon?

Mr. Dumont: Yes, and as regards transportation, at 9 cents a bushel there would be a substantial reduction in price.

(Text):

POWER

CANADIAN REPRESENTATION AT WORLD CONFERENCE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have another question that I consider urgent. In view of the fact that the premier of British Columbia has sent his top experts on power policy, namely Dr. Gordon Shrum, M.M. and Dr. Hugh Keenleyside, V.M. to the world power conference in Australia for two or three weeks, would the minister inform the house whether the Canadian government will have a representative at this important conference?

Hon. Howard C. Green (Secretary of State for External Affairs): Yes, Mr. Speaker. The Canadian delegation will be led by Mr. T. M. Patterson, director of the water resources branch of the Department of Northern Affairs and National Resources. He is honorary secretary of the Canadian section of the world power conference. The Canadian delegation also includes Mr. Alec Ignatieff, chief of the fuels and mining practice division, Department of Mines and Technical Surveys; Mr. Lorne Gray, president of Atomic Energy of Canada Ltd., and Mr. A. V. Mooradian of Atomic Energy of Canada Ltd.

HEALTH AND WELFARE

PROHIBITION OF PRODUCTION AND USE OF DRUG LYSERGIC ACID DIETHYLAMIDE

On the orders of the day:

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. Could he inform the house whether the food and drug directorate has definitely requested the withdrawal of the drug lysergic acid diethylamide both as regards its further production and its present use in research in mental diseases and alcoholism?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I think full discussion can be had on this particular drug at the time the amendment to the Food and Drugs Act is before the house.

CANADIAN NATIONAL RAILWAYS

PROPOSED ENTRY INTO PRINTING FIELD

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Transport. Is the minister yet in a position to make any statement regarding the proposal of Canadian National Railways to go into the printing business?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I have received representations from various people, and these representations have been sent to the management of the C.N.R. The management of the C.N.R. has been in touch with these people, and that is where the matter stands now.

PUBLIC WORKS

KAMLOOPS, B.C.—REPORTED USE BY MINISTER OF GOLD PLATED SHOVEL

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, there is one more question I wish to address to the Minister of Public Works. In view of newspaper reports to the effect that the minister turned the first sod for a new federal building at Kamloops on Saturday, October 13, with a gold plated shovel which has been placed in the local museum, would the minister inform the house whether this gold plated shovel was purchased at the expense of his department?

Mr. Speaker: Order. I think the hon. member blotted an otherwise good copybook for today when he asked that question.

Hon. E. D. Fulton (Minister of Public Works): Mr. Speaker, do you think that the question, having been asked, might be answered? I am quite prepared to bow to your ruling, but the hon. member made a statement—

Some hon. Members: Out of order.

Mr. Speaker: Order. If there was ever a question out of order today, that was it.

WAYS AND MEANS

On the order: Order No. 27: House again in committee of ways and means.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. My point of order is based on standing order 58 and on the indication the government has given as to the purpose in calling the item that has just been read from the table. Standing order 58 reads as follows:

Ways and Means

When an order of the day is called for the house to go into committee of ways and means, Mr. Speaker shall leave the chair without question put—

That is what Your Honour was about to do had I not risen quite so quickly. The standing order continues:

—but the provisions of this section shall not apply when the said order is called for the purpose of enabling a minister of the crown to make the budget presentation.

Mr. Speaker, I will refrain from getting into an argument regarding substance. I ask that you, sir, and the house note what has been said in recent days, last Thursday and Friday in particular, about today's business. It is quite clear that this order is being called so that the Minister of Finance can make a general statement on economic matters, so that he can discuss budgetary matters and lead into the presentation of the budget resolutions.

I submit, Mr. Speaker, that what is being asked for today is an opportunity for a minister of the crown to make a budget presentation. That being the case, the requirement of the standing order is quite clear. The requirement is that when the order is called for the purpose of enabling a minister of the crown to make a budget presentation, the provisions of subsection 1 of standing order 58 shall not apply. That means that if we are being asked to make arrangements today for a budget presentation, Mr. Speaker cannot leave the chair without question put; rather, the provisions of subsection 2 and the other subsections of standing order 58 come into effect.

I remind you, sir, that standing order 58 is relatively new. It was brought in in its present form in 1955. I was a member of the committee which drafted it, and I remember the discussions quite well. Prior to that time the order regarding the committee of ways and means read in such a way that it was possible to have a debate with Mr. Speaker in the chair every time the committee of ways and means was called. It was assumed in that committee that this was becoming inappropriate; that we should cut out the extra debates on the order for ways and means, but protect the one spot each year or each session as the case may be.

This is the one occasion this session when a budget presentation will be made, and in view of the fact that we have not had a budget presentation at any time in the year 1962-63 it is appropriate the government should now make one. I submit it is making such a presentation and that the latter part of standing order 58(1) applies, and that you should not leave the chair but, rather, that

the Minister of Finance should make his budget presentation now with Your Honour in the chair.

Mr. Speaker: With the greatest deference to the hon. member, I do not know whether he is able to read the mind of the Minister of Finance at this time, but there is nothing which indicates to me, either by a direct statement from the Minister of Finance or otherwise that he or any other minister intends to make a budget presentation in the accepted sense of the term. That being the case, how can the Chair avoid the direction of the peremptory portion of standing order 58, the opening portion?

That is the difficulty the Chair faces at the moment. There is no latitude given to the Chair but for this one exception cited in the subsection, concerning which I have no knowledge, no indication, and certainly no statement from the Minister of Finance. Thus with all due respect to the hon. member I am in the same position, I submit, as he is. Until the Minister of Finance says he is going to make a budget presentation I have no alternative but to follow the rules and leave the chair, and that is what I propose to do.

Mr. Knowles: Would Your Honour permit me to draw your attention to what the leader of the house himself said on this matter, as reported on page 696 of *Hansard* for Thursday, October 18:

> But if interim supply is concluded on Friday, we would then consider moving into ways and means on Monday and the Minister of Finance and other members of the house would deal with economic affairs.
>
> Then the Minister of Finance would bring along the budget resolutions which are listed in *Votes and Proceedings* of September 27.

Then again on Friday morning, as reported on page 703 of *Hansard*, the leader of the house said:

> The second suggestion I would make is that, again with the consent of the house, the Minister of Finance be permitted as much time as he requires for his statement and that whoever leads off for the official opposition also be granted as much time as is required to make a reply.

Earlier he had said:

> Instead of speeches being related strictly to the budget resolution at the time, we suggest, and this would have to be done by consent of the house, that a general debate be permitted with the Minister of Finance leading off.

I submit we have been told we are going to have a general debate on financial and economic matters, and that it will lead into dealing with the budget resolutions which appeared in *Votes and Proceedings* at the beginning of the session, items which were mentioned in the speech from the throne and which were carried over from last April.

[Mr. Knowles.]

Then again, if Your Honour would look at *Hansard* for April 11, 1962, you will discover that the Prime Minister told the last session of parliament that under certain provisions we should be in a position to resume the budget debate. Last session the budget debate was not resumed after that indication had been given. As I see it, the leader of the house has told us that we are now to have a resumption of the budget debate, only he is saying that we should have it in committee of ways and means with the Speaker not in the chair.

I suggest that we are playing with words if we try to say that what the Minister of Finance is now about to give us is not a budget presentation. If it is not a budget presentation, then he is not being fair to the house; but I am satisfied he intends to make a full statement concerning the financial position of this country, leading into the budget resolutions. This is a budget presentation both within the clear meaning of words and within the terms of citation 58, subsection 1.

Hon. Lionel Chevrier (Laurier): May I add a few words in support of what already has been said. Your Honour seemed to have some doubt because we were anticipating before the minister made his statement what kind of statement he might make. I submit with deference that there should be no doubt on this point in the light of the answers which have been given repeatedly by the leader of the house since Thursday of last week. The hon. gentleman referred to this question on Friday morning and again on Friday evening.

I ask Your Honour to consider not only what is being said by the hon. member for Winnipeg North Centre but also the answer which was given to me on October 19 last parts of which have already been read by the hon. member who preceded me. However this part was not and I quote from a statement made by the leader of the house:

> This is a departure from the procedure in the past but it would open the way for a general discussion on economic matters in Canada. It would be in the committee stage where there is considerable freedom of debate and, with this opportunity being provided, we would hope that the house might see fit to deal rather promptly with interim supply today, which involves asking for a month's supply just to carry on the normal business of the government.

I do not think there was any doubt in the mind of the leader of the house at that time —certainly there was none in mine—that the nature of the statement or speech to be made by the Minister of Finance would involve economic and financial matters.

Before Your Honour leaves the chair I think the Minister of Finance should indicate to the house what kind of statement he intends

to make, because we have not had a budget debate within the present fiscal year so far. What kind of statement is he going to give us other than the kind indicated by the leader of the house, which could be nothing else than a budget statement without a budget?

Mr. Hellyer: He is going to tell us nothing except what he wants us to know.

Mr. Churchill: It would not take me more than one minute to do that.

Mr. Fleming (Eglinton): The hon. member for Trinity.

Mr. Speaker: I think gratuitous statements should not be made by members speaking from their seats. Notwithstanding the fact that the Speaker is now addressing the house, I do feel the hon. member should direct his attention to what the Chair is saying. We should not have these gratuitous remarks which somehow have a habit of getting on to *Hansard*. I will now recognize the leader of the house.

Hon. Gordon Churchill (Minister of Veterans Affairs): I want to refer to the remarks made by the hon. member for Winnipeg North Centre and repeated in part by the hon. member for Laurier. The hon. member for Winnipeg North Centre attempted to put words into my mouth that I did not use at all, and he tried to interpret them to suit his own purpose. The words I used in the house on Thursday when I was announcing the business were these, and let us get the record straight so that everybody may be aware of what has been going on. On Thursday night, dealing with the business for Friday, interim supply and so on, I said we would consider moving into committee of ways and means on Monday.

An hon. Member: Where is that?

Mr. Churchill: Page 696.

Mr. Knowles: The same page from which I read.

Mr. Churchill: Yes, the hon. member for Winnipeg North Centre read it and then interpreted it.

Mr. Fleming (Eglinton): Misinterpreted it.

Mr. Churchill: "Misinterpreted" is correct. I said we would then consider moving into ways and means on Monday and the Minister of Finance and other members of the house would deal with economic affairs. That is what hon. members had been asking us to do. Then I said that afterwards the Minister of Finance would bring along the budget resolutions which are listed in *Votes and Proceedings* of September 27. There is not one word which indicates there that there would be a budget presentation. I defy the hon. member for Winnipeg North Centre to read that from the words there on the record of *Hansard*.

Similarly on October 19, when I was answering the hon. member for Laurier when dealing with the business of the house, I said that if the house agreed with the proposal I made, then, and only then, there would be a general discussion in the committee of ways and means when the first resolution was in front of us. I said, as the hon. member for Laurier correctly repeated, that this is departure from the procedure in the past. It is a departure to this extent, that when you are dealing with a budget resolution the rule of relevancy prevails and you have to direct your remarks directly to that budget resolution. But in view of the general circumstances here I suggested—and my suggestion has not yet been accepted by other parties—that we might waive that rule of relevancy on the first resolution and have a general discussion on economic matters.

Mr. Speaker, I submit that that has nothing to do with the presentation of a budget as it is understood in this house, and has been understood for 100 years; and the hon. member for Winnipeg North Centre cannot twist and distort the proper meaning of words by any such suggestion and attempt to mislead, as it appears to me he was doing, hon. members of this house. There was nothing in my statement dealing with a budget presentation.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, surely on this point there is no reason why discussion should not take place with you in the chair, and a good many reasons why it should not take place unless you are in the chair. May we ask the government why they have not accepted the very reasonable suggestion we have made, that the discussion should take place with Mr. Speaker in the chair so that all the consequences which follow from that course may be taken?

Hon. Donald M. Fleming (Minister of Justice): Mr. Speaker, the course which the government proposes here is in accord with the practice of the house and well established authorities on the subject. First of all we have on the order paper item No. 27, "House again in committee of ways and means". Link that, sir, with standing order 58. In my submission the rule is crystal clear. The order provides:

> When an order of the day is called for the house to go into committee of ways and means, Mr. Speaker shall leave the chair without question put—

That is the general rule, and it could not be more clearly stated. There is one exception, Mr. Speaker, and only one. It is that—

—the provisions of this section shall not apply when the said order is called for the purpose of enabling a minister of the crown to make the budget presentation.

Surely, Mr. Speaker, to depart from the general rule, it is necessary that the case be brought squarely within the exception; and far from the case before us now being brought within the exception, it has been stated in the plainest possible terms that the item is not being called in order to enable a minister of the crown to make a budget presentation. It does not lie within the mouth of the Leader of the Opposition, or the hon. member for Laurier, or the hon. member for Winnipeg North Centre, to put words in the mouth of a minister of the crown. It does not lie within their power to impose upon the government an intention to use this procedure for a purpose other than that for which the government proposes to use it. Therefore it seems to me that the opposition—the hon. members to whom I have referred—are vastly exceeding their rights in attempting to dictate this course.

Mr. Speaker, let me indicate—I hope I will not be long in doing so—why this procedure that the government is proposing today is correct and why it has well established precedents to support it. I submit that it is altogether out of order to raise this point as it has been raised. This is a simple motion. It is quite unlike a budget motion; for that, after all, Mr. Speaker, is a presentation in which, with due announcement beforehand according to the practice of the house, the minister of finance customarily moves to resolve the house into committee of ways and means on certain proposed resolutions, which he introduces as part of his budget speech and which are then inscribed in the records of this house as part of the budget speech.

That is in no way whatever the situation today. What the house is being asked to do today is to go into committee of ways and means. The note on the order paper simply makes reference to resolutions that appear on the notice paper of *Votes and Proceedings* of September 27, 1962. So this is not to be equated at all with a budget presentation. No minister is asking to make a budget speech to the house, Mr. Speaker.

Mr. Gordon: There should be.

Mr. Fleming (Eglinton): The hon. member for Davenport can pontificate elsewhere, but he will have to earn his spurs in this house before he talks in that way. I can assure him in a very friendly spirit that he has a long way to go yet. Mr. Speaker, hon. members opposite are trying to play with words on this subject of budgets. I stress what has already been stated in clear terms in this house. This is not a budget presentation which is proposed today.

An hon. Member: When will there be a budget?

Mr. Fleming (Eglinton): If the hon. member opposite will desist from using his lungs and his voice and uses his ears instead, I think he will find them a more useful organ for the purpose.

Mr. Speaker: Order. At the moment we are hearing the Minister of Justice. If there are no provocations, perhaps there will be no provocative answers. If we listen to the hon. member who has the floor I think we will get rather more light than heat.

Mr. Fleming (Eglinton): Mr. Speaker, the house has already been assured that there will be a budget—not today, but that there will be a budget—in due course. When that is introduced the normal procedure of the house will be followed. Today, Mr. Speaker, as the house has been made aware, this is a matter of dealing with certain tax changes which were proposed last April and were not completed before dissolution. May I remind the house that six months and a general election have intervened since the budget of April 10 this year. The house does not simply begin where it left off in April.

On the point that hon. members claim to be deprived by the motion today of the right to introduce amendments and to have a debate with the Speaker in the chair, that assertion is hollow and specious. Amendments to the budget, as everyone knows, are rarely related to the actual terms of the budget proposals. Usually they consist of general condemnation of policy or administration. This type of amendment can be introduced on supply motions. It can be introduced on the budget when the budget is introduced in due course. I say that every amendment which any hon. member could wish to introduce to a budget, if it were introduced now, could be moved on a supply motion, and we will be having six of them in the course of the session if the house chooses to go forward. Mr. Speaker, let me remind the house that a few days ago we completed the debate on the address, and there were no fewer than five motions in general terms of the same nature as those usually moved on the budget. Therefore, Mr. Speaker, this talk of being deprived of the right to introduce amendments or subamendments is surely entirely hollow and unsubstantial.

The argument is made that there is some right on the part of the house to have a discussion with Mr. Speaker in the chair. The answer to that, of course, is very simple; it is that this debate is not a budget presentation. But in passing let me observe, in case it becomes relevant to any point which may be made in the course of this discussion, that we have an established practice now which was not the practice in the early years of confederation. In the earlier years the budget speech was sometimes delivered in the house, sometimes in committee of supply, and sometimes in committee of ways and means. It is only since 1875 that the practice was established of having the speech delivered with the Speaker in the chair; and even after that it was not always the practice to resolve the house into committee of ways and means, for in five years at least, 1875, 1878, 1889, 1892 and 1896 the procedure followed was to resolve the house into committee of supply.

But, sir, let us deal with the practice as we have it, the practice that a budget presentation is delivered on a motion to resolve the house into committee of ways and means in accordance with the second part of the first section of standing order 58. There was a suggestion here on Friday that if there were not a budget presentation now there would be a departure in that regard from a long standing practice of having a budget presentation. Mr. Speaker, there was a budget presentation this year. It was on April 10. But if hon. members opposite are saying that in every calendar year since confederation there has been a budget presentation they are wrong. There were suggestions of that kind being bandied about very freely if not in this house then outside it on Friday last. The fact is, Mr. Speaker, that there was no budget presentation in the calendar year 1907 and no budget presentation in the calendar year 1910. It is not without significance, Mr. Speaker, that those were years of a Liberal government and the minister of finance—

Mr. Speaker: Order. I think we should confine the discussion narrowly to the point of order and the Chair would then be quite prepared to give its interpretation.

Mr. Fleming (Eglinton): The minister of finance at that time was none other than the redoubtable W. S. Fielding—

Some hon. Members: Order.

Mr. Fleming (Eglinton): —the dean of ministers of finance in Canada.

Mr. Speaker: Order. With all due deference to the Minister of Justice, I think we should come to a much narrower approach to the point of order and unless there is someone else who wishes to address the Chair or to introduce a new argument the Chair is quite prepared to give its decision.

Hon. Paul Martin (Essex East): Mr. Speaker, may I seek to address myself to the point which is concerning Your Honour, and understandably so, because the situation before us is somewhat unique. It is true that standing order 58 clearly provides that there is a circumstance, the presentation of the budget, which excuses the automatic operation of standing order 58. Of course we have not heard from the Minister of Finance himself. It is not clear whether we are going to have a budget de novo, although the Minister of Finance spoke to the contrary the other day. However, it might be a budget in some form which has a relation to the budget already presented to this house in this fiscal year.

Because of the difficulty which obviously confronts Your Honour and confronts all of us in interpreting standing order 58, may I suggest to Your Honour that to understand the situation fully one must bear in mind the events which have occasioned the procedure in the house at this moment. There was a presentation of a budget. There was an assurance that there would be given to members of this house the opportunity of a traditional debate in accordance with the length of time prescribed under our rules. This did not eventuate.

The budget was delivered one night. The Leader of the Opposition was given the opportunity of replying during the course of only 15 minutes. That was the only debate which took place on this year's budget. The rules were not so interpreted or recognized by the government to permit six days of debate. The only speech that has been delivered on the budget, in connection with which I argue we are now going to hear something further from the Minister of Finance, was the 15 minute statement made by the Leader of the Opposition in the house the night that the budget was presented. Dissolution intervened and the government has found it necessary to bring in some additional amendments to the budgetary program in the form of orders in council providing for emergency situations arising out of our balance of payments position.

The Minister of Finance is going to discuss the present financial situation in relation to the budget introduced last spring concerning which no opportunity has been given to the opposition parties to comment, except for the abbreviated statement of the Leader of the Opposition. The result is that while there may not be an obligation annually, as the Minister of Justice says, to observe the desirability of bringing in a budget, apart altogether from what is proper the fact is that

nowhere in Canadian history will we find any occasion when the opposition has been denied the traditional right of bringing in an amendment to the budget presented by the Queen's minister of finance. And, Mr. Speaker, I argue with great respect that the partial budget statement that the Minister of Finance is going to make today is related to the budget. It is an interpolation of that budget, an extension of its terms and an explanation thereof, rendered necessary because of the dissolution of parliament and because of the emergency having arisen.

That is what I say Your Honour must do in giving a liberal interpretation to standing order 58. I suggest that this is a vital matter and I am sure that Your Honour so regards it. I suggest that Your Honour should stay in the chair. The only way that the opposition can bring forward an amendment to a budget, if it wishes to do so, is if Your Honour is in the chair.

I suggest to Your Honour that the interpretation I make of standing order 58 is one that in the circumstances is consistent with the standing order, and the only way out of the dilemma in which we find ourselves. If that interpretation is not made, then Your Honour unwittingly will have contributed to a situation in which for the first time in Canadian history it will be said that the opposition was denied the right to present a traditional amendment to the budgetary presentation of the government.

Mr. Fleming (Eglinton): Mr. Speaker, may I say a word in reply to the hon. gentleman by way of correction of his argument, and then refer to two precedents. What happened last April, sir, was this. I brought in a budget presentation on the evening of April 10. The Leader of the Opposition spoke at the end of my presentation. He and I could both have had more time on that occasion but for the stifling intransigence of some hon. members in another group. He did not choose to move any amendment, but on Tuesday, April 17, he made a very lengthy speech on the budget.

Mr. Pearson: It was not on the budget.

Mr. Fleming (Eglinton): Where do you suppose he made it, Mr. Speaker? He made it in committee of ways and means. He was discussing this very budget and he chose to do so in committee of ways and means and was not in any respect inhibited in so doing. It is true that, although we were in committee, I was prevented from replying because of the bedlam and howling set up by the Liberals opposite.

The following day, April 18, the then member for Burnaby-Coquitlam spoke on the budget for the New Democratic party. Where did he speak? He spoke in committee of ways and means. So, Mr. Speaker, there is an abundance of precedent for the discussion of these resolutions in committee of ways and means by hon. members opposite, and that precedent could not be clearer.

But I said there were two precedents. May I refer briefly to those. One is in 1947 and the other in 1957. In 1947 a second session of parliament was called. It assembled on December 5. There had been what has come to be known as a budget by radio presented before parliament met. This was on November 17. To the house, the minister of finance presented a program for the prohibition of imports, provision for import quotas, permits and applications, and increased excise taxes.

Now, Mr. Speaker, that was a very broad financial program. How did he present it? What procedure did he follow? Did he present a budget? Did he make a budget presentation where there were amendments, subamendments and debate? What he did was to introduce on December 11 a bill, not preceded by any resolution whatever. He introduced a bill respecting foreign exchange conservation. The next stage of that measure was on December 16, as reported at page 323 of *Hansard*, where he moved second reading. Debate proceeded on second reading, without any resolution whatever.

Then, Mr. Speaker, on December 19, 1947, as you will see if you look at page 535 of *Hansard*, with respect to the application of the increases in taxation, the excise tax, there was no budget. The minister of finance moved that the house go into committee of ways and means, exactly what we are doing here, sir. The house agreed. There was no debate. It is just what we are doing today. There was no budget, no amendment, and no subamendment. So much for 1947.

Then, let us go to 1957. What happened in that year? There had been a budget presentation in the spring. When the house met, a new house, following a change of government, there were requests from hon. members for another budget. Well, Mr. Speaker, on December 2 the Prime Minister said that there would be no formal budget. On December 6, in committee of supply, I made a statement. I first of all conducted a very brief review, pointing out the revision of the estimates for the balance of revenues and expenditures. Then, I gave a statement on certain measures which the government would bring forward.

Then, as reported on pages 2022 to 2024 of *Hansard*, the hon. member for Winnipeg North Centre (Mr. Knowles) raised a point of order. I give him credit for having put his point with characteristic thoroughness. The objection taken, sir—there had been, of

course, objection that this should not be done in committee of supply—by the hon. member for Winnipeg North Centre was, and his insistence was, that any taxation changes have to be made in committee of ways and means. This was his point. In the discussions at that time, the point was clearly established that the effect of the tax changes that were proposed was to reduce taxes. It was a reduction, and this is a point of significance. Then, Mr. Speaker, what happened? This was the discussion that followed on that same night.

Another point of order was raised on December 9 by the hon. member for Winnipeg North Centre following this statement in committee of supply. You will find that, as reported at page 2075 of *Hansard*, I introduced two bills for first reading. One was to amend the Excise Tax Act. The other was to amend the Income Tax Act, without prior resolution of any kind.

Then, a point of order was raised on the first bill. The point of order was as to whether this bill should be introduced without a resolution. The point of order was taken on the motion for first reading of these bills. The point that was raised was not whether or not there should be a budget presentation with the Speaker in the chair; that was not the point. The point was whether or not there had to be an antecedent resolution. You will find a ruling given by the Speaker, Mr. Speaker Michener, reported at page 2082 of *Hansard*. May I read, Mr. Speaker, what he had to say, in the essential portions? After dealing with the point as to the relevancy of section 54 of the British North America Act, he goes on to say:

> This question before us, however, is quite different from that. It is a question of a bill which on its face—and we have the bill here—is not a bill to raise money but a bill to reduce taxation. Without going through the citations again in Bourinot, Beauchesne and May, I think I can indicate very briefly to the house the opinion I accept. It is set out in May, fifteenth edition, at page 764. There you have a statement under the heading "Alleviation of Taxation", and it is in these words:
>
> "Provisions for the alleviation of taxation are not subject to the rules of financial procedure. The repeal or reduction of taxes, for instance, by the finance bill, is sometimes preceded by a specific ways and means resolution but this procedure is neither necessary nor usual."
>
> I find that in this parliament the same thing has happened on occasion.

Here, the Speaker is dealing with the point raised by the hon. member for Winnipeg North Centre that there was a difference in the procedure of this parliament as compared with that prevailing at Westminster.

> A measure to reduce taxation has been preceded by a resolution, as was pointed out by the hon. member for Winnipeg North Centre, and sometimes it has not. There are quite a number of instances where bills to reduce taxation have been introduced without being preceded by a resolution and the necessity of the procedure which was argued for by the hon. member for Winnipeg North Centre.
>
> I will not read any more of that citation. The only question is my own mind was whether that British practice might be applicable in this parliament, and I find that both Bourinot and Beauchesne assume that it does and, in fact, say so in citations which I have here. Therefore, I am satisfied that we are following a correct procedure in permitting this bill to be introduced without a resolution.

Now, here it comes down to this point, that the measures which appear in *Votes and Proceedings*, being in fact measures to reduce taxation, do not require any antecedent resolution at all. However, the government has gone very far, Mr. Speaker, in asking the house to examine these proposed tax reductions, these resolutions respecting tax reductions in committee of ways and means. This is in the light of the proposal made by my hon. friend, the leader of the house, in which he invited the consent of all parties in the house for this purpose. Surely, this represents going a very long way to afford the house unlimited opportunity for discussion.

It only remains, Mr. Speaker, to comment on the course—and I make one comment only on this—of the measures to which I referred in 1957. I referred to the fact that the bill to amend the Excise Tax Act was not preceded by any resolution, any debate with the Speaker in the chair. There was no budget presentation. You will find, Mr. Speaker, by reference to *Hansard*, what happened on second reading. In the light of the discussion on the point of order on first reading, it is interesting that the house divided and second reading of that bill was given, if you please, by a vote of 175 to 0. I find, among those voting in support of the bill, a bill making tax changes and this is on December 12, 1957 as recorded on page 2276 of *Hansard*, after all the discussion there had been at an earlier stage in regard to the introduction of amendments to the Excise Tax Act without an antecedent resolution in committee of ways and means, those recorded as having supported this second reading of the bill include the following names: St. Laurent, Pickersgill, Chevrier, Coldwell and Knowles.

Mr. Speaker: Order. On this point, it is not that I am going to make a ruling at this moment and declare that any further discussion is superfluous, but I would like to direct the attention of hon. members to the point, that what we have here is a question of order and it is not the question of the merits or demerits, of whether there should be discussion or not. The question is whether,

under this procedure that is proposed at the moment, the Speaker shall leave the chair or not.

That is the narrow point of order and I certainly would not be the one to say whether there is ample or insufficient opportunity to discuss the matters referred to. That is not the proposition at this moment. The ruling is in the light of the standing order, and I would earnestly submit to hon. members that they should direct their attention to that point.

I have allowed pretty free discussion on both sides on that particular question, but I think we should come back to the interpretation of the order as it is listed on the order paper—the effect of standing order No. 58—and also what are the requirements to go into a budget presentation as it affects the Speaker.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, if I venture to intervene again it is because of the remarks of the Minister of Justice, particularly those which referred to me and which, unwittingly of course, completely misrepresented the situation in regard to the budget introduced last April and the debate that took place on that budget.

The facts are these, and they have a bearing on our discussion, that the budget was introduced by the then minister of finance who spoke for a couple of hours, and I was allowed 12 minutes or so at the end of the evening to reply. That is the normal procedure. No one complained about that, as we thought the budget debate would be resumed; that I would have an opportunity to finish my speech and that the budget debate would then continue.

That did not happen. The government saw fit not to bring the budget again before the House of Commons at all, so the only way we on this side could make any further contribution to the budget debate was to take advantage of the motion to go into committee on ways and means on interim supply, when I was able to make a general statement. Now the argument of the Minister of Justice is that, having taken advantage of that situation, in those unusual circumstances, so as to have a budget debate, the only way we can continue such a debate today is to take advantage of the same kind of circumstances and go into committee on ways and means. That part of the minister's statement does not make sense and is not relevant.

If the Minister of Finance (Mr. Nowlan) makes his presentation he will have to take into account the changes in revenue produced by the surcharges and the changes in expenditures produced in the revised estimates. Those two things, Mr. Speaker, surely cover a budget presentation. But we are being asked to take part in this discussion, in this budget presentation, without a motion before us, without a Speaker in the chair, without any possibility of an amendment being offered, and without any possibility of a decision being reached in regard to the presentation of policy made by the minister.

This is what we are being asked to do at this time, to hold a budget debate without a budget, a budget debate in which there can be no decision reached of any kind.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I shall endeavour to be brief.

Mr. Speaker: At this point I would ask hon. members to bear in mind the restrictions I imposed prior to the Leader of the Opposition speaking. I think the point has been sufficiently covered. This is not a debate on the yea or nay, on the merits or demerits of whether a discussion shall or shall not take place on so-called financial measure. The question, as the rules face the Speaker on this item of business, is whether the Speaker has any alternative but to leave the chair.

Mr. Knowles: One of the points made by the Minister of Justice was that there were two or three years in which there was no budget presentation. That is true; but one point which emerges from reading the history, and I have read the same history as the Minister of Justice, is that when there have been budget presentations since 1879 they have been made with Mr. Speaker in the chair.

I submit, Mr. Speaker, that the precedents of 1947 and 1957, cited by the Minister of Justice, are completely irrelevant. In both of the fiscal years covered by 1947 and 1957, whatever else we might think of what went on in those years, there were budget presentations and there were opportunities to debate the budgets of the fiscal years.

In the case of 1947, which the Minister of Justice drew to our attention, I wish he had read the words he used at that time characterizing what the minister of finance was doing in those days, particularly his use of the term tyranny.

Mr. Speaker: With respect, we are going back to the question of the merits or demerits of whether there is going to be a full budget discussion, or freedom of discussion. With the greatest respect, that is not the point at issue.

Mr. Knowles: I accept that, Mr. Speaker, and I hope when you made that point you realized how irrelevant were the two precedents quoted by the Minister of Justice, because in those years there had been budget presentations.

Mr. Speaker: Perhaps to the same extent any replies or rebuttals thereto are also irrelevant.

Mr. Knowles: But, Mr. Speaker, you already permitted 10 or 15 minutes of that debate and I think we should have the opportunity to set aside the points made by the Minister of Justice by using the very words which the Minister of Justice used when he sat on the opposition benches in this house in 1947.

I submit that thus far in this fiscal year we have had no opportunity to deal with the budget presentation, and we have the clear statement from the government benches that we are now going to get a budget presentation. If that is not so, then it is not worth while for the Minister of Finance to take the floor. I submit on that basis Your Honour has to apply the second part of subsection (1) of standing order 58.

It has been said that there are other opportunities to do this sort of thing. It is perfectly true that the house might vote for every budget resolution which the Minister of Finance brings before us; but the tradition of this house is that we have the opportunity to vote not only on the individual resolutions but the opportunity, on the budget presentation, to express our confidence or non-confidence in the budgetary policies of the government as a whole.

Since we are being told we are going to get a full statement from the Minister of Finance—he promised that—and bearing in mind the taxes that have been announced and changed, and the changes in the estimates, then surely the minister is going to give us a budget presentation. Surely he is asking the house to support taxation changes on the basis of the accounts which he, as Minister of Finance, will present to us.

To get back to the point which Your Honour has dealt with, it is quite clear we are being asked to make arrangements for a budget presentation and therefore Your Honour should stay in the chair.

Hon. Lionel Chevrier (Laurier): I shall not take any great length of time, Mr. Speaker, and I hope I shall be to the point. There are two points I would like to make in connection with the matter which is now before the house. There is standing order 58; and as has been rightly said, there is only one exception to the purport of the application of this order, and that is a budget presentation.

The whole matter boils down to whether or not the statement which the Minister of Finance is going to make is or is not a budget presentation. I submit to you, with deference, that it is. It is a budget presentation because of what the leader of the house said on Thursday and again on Friday, in stating that unanimous consent would be required when the resolutions were before us in order to have a general debate. That could mean this, and only this, that if unanimous consent is required, then we could have a debate which might last for a whole month on this very matter. I do not imagine that it would; but we certainly could have a debate that would last much longer than the usual six days. Therefore, if it was the intention to seek out this extraordinary procedure it was because something extraordinary was being done, namely getting away from the normal procedure in order to deal with an abnormal situation.

I hold in my hand now the budget resolutions which were tabled and which will be under discussion when we come to this particular matter. They clearly indicate to me that what the Minister of Justice has said could not be applicable, because when we come down to them we will not be allowed to make amendments dealing with the general financial policy of the government.

In other words, sir—I see you are rising and I do not want to abuse the time of the house—there is no doubt in our minds that this is another form of closure that has been found by the government to curtail the rights of the opposition, and furthermore the government is in fear of its life and that is why it is proceeding in this way.

Mr. Speaker: Order. As I said, it is not my purpose to deal with the merits of whether or not there shall be discussion. That is quite extraneous to the point of order. I would have hoped that hon. members would have held themselves to that point.

We are faced here with item No. 27 on the order paper, the house again in committee of ways and means. We then deal with standing order 58, which, upon the house going into committee of ways and means, says Mr. Speaker shall leave—"shall leave"; this is mandatory, peremptory on the Chair—the Chair without question put. There is then the proviso about the budget presentation.

I would draw to the attention of hon. members the fact that on a budget presentation there is a motion made by the Minister of Finance that the Speaker do now leave the chair. No such motion is before this house. Further, I would submit to hon. members that Mr. Speaker has no authority to compel any member of the government to propose a motion. If the Minister of Finance does not propose the motion that the Speaker do leave the chair, nor do any of his colleagues, then we are not into what I can only term a budget presentation, because while hon. members on all sides of the house might have their own opinion as to what may be coming, the Chair

cannot anticipate what is coming. Therefore I cannot rule that there is to follow a budget presentation.

In the light of that, therefore, I rule that the first portion of standing order 58 will apply and I have no alternative but to leave the chair; and that is what I propose to do.

The house in committee of ways and means, Mr. Chown in the chair.

INCOME TAX ACT

Resolved,—that it is expedient to introduce a measure to amend the Income Tax Act and to provide among other things:

1. That for the 1962 and subsequent taxation years the amount deductible in computing taxable income in respect of a child qualified for family allowance be increased to $300 and the amount deductible in respect of other dependants be increased to $550 each.

2. That with respect to income earned after March 31, 1962 a corporation whose principal business is manufacturing or processing (not including a corporation whose principal business is shipbuilding, mining, logging or the operation of oil or gas wells) be allowed to deduct from its tax otherwise payable an amount equal to 50 per cent of the tax on the first $50,000, of its taxable income attributable to increased sales and an amount equal to 25 per cent of the tax on the remainder of its taxable income so attributable.

3. That with respect to its first taxation year ending after April 10, 1962 and the next succeeding four taxation years a corporation be permitted to deduct in computing income 150 per cent of the amount by which expenditures of a current and capital nature on scientific research in Canada incurred by it in the year exceed expenditures of a current and capital nature on scientific research in Canada incurred by it in its last taxation year ending on or before April 10, 1962.

4. That for the 1962 to 1966 taxation years both inclusive the deduction from tax allowed to corporations in respect of taxable income earned in a province be increased from 9 per cent to 10 per cent in a prescribed province in which arrangements exist for the replacement of federal grants to universities by additional provincial grants in accordance with the proposed amendments to the Federal-Provincial Fiscal Arrangements Act.

5. That with respect to taxation years commencing in 1962 a taxpayer be allowed a deduction from tax of an amount equal to the lesser of two-thirds of the amount payable for the year to a province as a tax on income from logging operations or ⅔ of 10 per cent of the taxpayer's income from logging operations in the province, and the right to deduct in computing income amounts paid to a province as tax on income from logging operations be repealed.

6. That with respect to expenses incurred after April 10, 1962 any corporation be allowed to deduct in computing income the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by it on or in respect of exploring or drilling for petroleum or natural gas in Canada and the prospecting, exploration and development expenses incurred by it in searching for minerals in Canada not exceeding its income for the year from oil or gas wells in Canada.

7. That with respect to expenses incurred after April 10, 1962 an individual be allowed to deduct in computing income the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by him on or in respect of exploring or drilling for petroleum or natural gas in Canada not exceeding his income for the year from oil or gas wells in Canada.

8. That with respect to acquisitions after April 10, 1962 amounts paid by

(a) a corporation whose principal business is production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for petroleum or natural gas, or mining or exploring for minerals,

(b) an association, partnership or syndicate formed for the purpose of exploring or drilling for petroleum or natural gas,

(c) a corporation (other than a corporation that qualifies under (a)), or

(d) an individual for a right, licence or privilege to explore for, drill for or take petroleum or natural gas in Canada shall be classed as drilling or exploration expenses for purposes of computing deductions from income.

9. That with respect to sales of property acquired after April 10, 1962 there shall be included in the income of a taxpayer any amount received as consideration for the disposition of a right, licence or privilege to explore for, drill for or take petroleum or natural gas except where the right, licence or privilege was acquired by inheritance or bequest.

10. That the right of a successor corporation to deduct drilling, exploration, prospecting and development expenses incurred by a predecessor corporation from the income of the successor corporation attributable to the production of petroleum or natural gas from wells, or the production of minerals from mines, situated on property acquired from the predecessor corporation shall not be lost by reason of the fact that the successor corporation assumed liabilities of the predecessor corporation.

11. That a joint exploration corporation may renounce an appropriate share of the drilling, exploration, prospecting and development expenses incurred by it after 1956 in searching for oil, gas or minerals in Canada in favour of a shareholder corporation whose principal business is

(a) production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for petroleum or natural gas,

(b) mining or exploring for minerals,

(c) processing mineral ores for the purpose of recovering metals therefrom,

(d) a combination of

(i) processing mineral ores for the purpose of recovering metals therefrom, and

(ii) processing metals recovered from the ores so processed, or

(e) fabricating metals,

and in such case the expenses renounced shall be deductible by the shareholder corporation and not by the joint exploration corporation.

12. That the right of a successor corporation to deduct drilling, exploration, prospecting and development expenses incurred by a predecessor corporation from the income of the successor corporation attributable to the production of petroleum or natural gas from wells, or the production of minerals from mines, situated on property acquired from the predecessor corporation be extended to a second successor corporation which has acquired the property from a predecessor corporation which was itself a successor corporation.

13. That for the 1962 and subsequent taxation years income earned in Canada by a non-resident corporation whose principal business is mining iron ore in Canada, be exempt from the additional 15 per cent tax imposed by Part IIIA on profits earned in Canada by non-resident corporations.

14. That where an employee who is a member of one deferred profit sharing plan becomes a member

of another deferred profit sharing plan the amount to his credit in the first mentioned plan may be transferred to his credit in the second mentioned plan without attracting tax on the amount so transferred.

15. That the amount to the credit of an annuitant under a registered retirement savings plan may be transferred at any time before the maturity of the plan to another registered retirement savings plan or to a registered pension fund or plan without attracting tax on the amount so transferred.

Mr. Pearson: On a point of order, Mr. Chairman. I just want to make sure that we know exactly where we stand in regard to the statement which presumably the Minister of Finance is now going to make. We anticipate that statement, of course, in the light of the statement made previously by the house leader as to the ground it is likely to cover, provided he gets the unanimous consent of this committee. The fact that he has to receive the consent of every hon. member of this committee shows how unusual is this procedure; indeed, how unique and unprecedented it is.

I do not propose, myself, to do anything to prevent the minister making this kind of statement, which we anticipate will be a budget statement. We assume that the minister will be, in effect, making a budget statement. We on this side of the chamber are very anxious to get the whole budgetary position before parliament and before the country. We hope the minister will make that kind of statement even though we are prevented by this procedure from dealing with the statement in the way in which it should be dealt with.

So far as we are concerned, Mr. Chairman, we will waive at this time our right to protest again about this procedure; and so far as I am concerned, if the minister wishes to make a general statement at this time we will not keep him strictly to the rule of relevance, no matter what we may think of the procedure that has been adopted.

Mr. Diefenbaker: Mr. Chairman, in connection with the point of order raised by the Leader of the Opposition, in so far as unanimous consent is concerned, that was asked in anticipation of the Minister of Finance speaking at length beyond the ordinary period allowed. There is no budget presentation; there will be no budget presentation. The budget will come in due course. I want to make that very clear. Furthermore, when my hon. friends opposite talk about closure—

Mr. Chevrier: Mr. Speaker, I rise on a point of order.

Some hon. Members: Oh, oh.

The Chairman: Order.

Mr. Chevrier: The point of order, sir, is that this matter—

Mr. Diefenbaker: Mr. Chairman—

The Chairman: Order. I think at the outset I should just make the observation that a fair amount of latitude was allowed the Leader of the Opposition in the comments he had to make. I have no idea what point of order the hon. member for Laurier is raising, but I will be glad to hear him.

Mr. Chevrier: Mr. Chairman, the point of order I raise is this, that we did discuss the matter when the Speaker was in the chair and that matter, I understand, was disposed of. Now the Prime Minister is attempting to smuggle or bootleg in exactly the same thing that was prohibited then. My submission to you, Mr. Chairman, is this. I have no objection, but I trust that we will be given the opportunity to reply under exactly the same circumstances as the Prime Minister is being given at the moment.

Mr. Diefenbaker: Mr. Chairman, I am very interested in the word "smuggle" used by the hon. member for Laurier. I am glad he used that expression to describe what he said just a few moments ago when he referred to the question of closure. This is not a budget presentation. I never knew of closure which would permit hon. members of the house to discuss a matter for 30 days if they chose to do so. That is what we are doing here; we are giving them every opportunity to have their say.

Miss LaMarsh: Without a vote.

Mr. Diefenbaker: Indeed, one hon. member opposite said this afternoon that under normal circumstances it would be extraordinary if there were a budget debate of six days. Now they have this additional time. In addition to that, if my hon. friends opposite have objection to the Minister of Finance making a general statement on the economy rather than a budget presentation, he certainly will not go ahead in that direction at all. We do not want to do anything that is against their wishes.

Some hon. Members: Oh, oh.

Mr. Chevrier: Let me assure the Prime Minister at once that there is not the slightest objection to the Minister of Finance going ahead in the manner in which it is his intention to do. What there is objection to, and serious objection, is the extraordinary manner in which this is being done by the government—that the Minister of Finance is allowed to make this lengthy statement on monetary and financial affairs, a state of the nation speech, as it were, without the usual right of the opposition to move amendments to the policy of the government—

Mr. Diefenbaker: You have been moving amendments ever since the session began.

Mr. Chevrier: —thereby imposing another form of closure.

Mr. Knowles: We have already made our statement on this question, and I will add only a brief word to it. We have made it very clear that in our opinion this is the wrong way of handling this matter. Nevertheless, a ruling has been made by the Speaker and we are now in committee of ways and means.

I think it should be clear where we go from here. If it is the desire that the Minister of Finance should have unlimited time and sufficient scope to make what will amount to a budget presentation, we believe the same scope should be allowed to all members of the house and that there should be no limitation on time as far as this debate is concerned. It is our view that an understanding should be reached on this point.

The Chairman: I might point out, that of course, I am the servant of the committee and of the rules. Unanimous consent would be necessary to vary the rules which are set down for me in standing order 59. I shall continue to apply those rules as fairly and impartially as I can in all the circumstances. If unanimous consent is required to broaden the scope of this discussion in any way, then I shall have to wait until a member of the committee makes that suggestion and seeks unanimous consent.

Mr. Thompson: As most of us in this corner of the house are not experienced or learned in all these questions of procedure, as are some hon. members who have preceded us, we have not entered into this discussion so far. However, the Speaker has left the chair, the ruling has been made, and in support of the hon. member for Winnipeg North Centre we would say: let us get on with this and give the Minister of Finance the time he needs in order to get on with it, provided there is the same privilege for every member of this committee. If we continue in this way much longer the whole budget for the year is going to be spent before we have even begun to discuss it.

Mr. Nowlan: I am in the hands of the committee, as you, Mr. Chairman, have indicated. I propose to deal first of all with the income tax resolutions which were set down in the *Journals*. Then, with the consent of the committee and with the understanding of hon. members that I could deal with such matters, I would go farther afield and review the general economic situation in Canada, without, I hope, taking unlimited time in which to do it. I am not looking forward to speaking for hours and hours. I should probably need more than the 30 minutes to which I would ordinarily be entitled, but I certainly have no thought of giving a lengthy dissertation. I certainly would not want it understood that every member of the committee should have an unlimited time in which to deal with this subject. The leaders of the parties should, perhaps, have all the time they would require, and after that we might be limited to 30 minutes.

In this broad discussion we would not be dealing specifically with the resolutions but with the general situation. I presume that would last throughout this evening and that there would be an opportunity to carry on the discussion and reply as time goes on. Then, when members of the committee have concluded the general discussion I will deal with the specific resolutions before us, at which time we should be limited as to the rules of relevancy and the time limit.

All we are proposing to do at this time, and all we are doing, is using this motion as a method of bringing before the committee the resolutions which were brought forward by my colleague last spring in his budget presentation. These resolutions were debated, though the debate was not one of great length, and they have been placed on record in the *Journals* of the house. They are identical with those brought forward last April by my colleague, the then minister of finance.

They are designed to encourage economic growth, to provide incentives for further industrial expansion, to increase employment and to provide relief for individual taxpayers. I am bringing them forward at this time as an important piece of unfinished business. Their consideration and enactment has become more urgent with the passage of time. The urgency is real, because within the next several weeks, for example, many corporate taxpayers will be in a position to begin to claim benefits accruing from these measures. These companies will not be sure where they stand until parliament has taken action. For individuals, the taxation year ends on December 31; but individuals will be unable to claim the benefits of the proposed increases in allowances for dependents until the law is amended in this respect. Sales taxes and customs duties are being collected on the basis of the resolutions introduced on April 10. It is important that the necessary amendments be made of the statutes concerned.

As stated in the speech from the throne, I shall be bringing forward a comprehensive budget with new measures to meet our longer-term problems and it is my expectation to do this early in 1963. My present proposal is nothing more than the implementation of

the resolutions introduced by my predecessor last April. I respectfully suggest that a general examination of the pattern of these proposals be recognized as appropriate on this occasion. Furthermore, fiscal proposals affecting taxation pertain to the balance of ways and means. To enable them to consider proposals of this kind, hon. members have every right to expect an up to date review of the economic situation and a comprehensive statement of the government's financial position. That is what I propose to make now.

The Chairman: Order. I am sorry to interrupt the minister, but this is the point at which we seem to be moving away from the ambit of section (2) of standing order 59. Perhaps I should obtain unanimous consent of the committee before the hon. gentleman carries on. Is it agreed that he should be allowed to be at variance with the rules as to relevancy in section (2) of standing order 59?

Mr. Leboe: I think it should apply to all members.

The Chairman: Unanimous consent is given on condition that it will apply equally to the leaders of all other parties in the house.

Some hon. Members: Agreed.

The Chairman: In addition, it is agreed that those other leaders of the house shall be permitted an extension of time, as will the minister, to permit them to complete their remarks on this resolution, in a general way.

Mr. Pearson: You are suggesting then, in fact, that this be conducted as though it were a budget debate.

Mr. Leboe: I think it should be clear that the members, while limited to 30 minutes, will have the same latitude as the minister and the Leader of the Opposition.

Mr. Nowlan: That is understood, of course.

The Chairman: I will put that on the record, if I may. I made the conditions clear as to time with respect to the leaders and as to the application of subsection (2) of section 59. I will now make it even more clear that the variance as to the rule of relevancy will apply to all hon. members of the committee in the course of this debate. Is that agreed?

Some hon. Members: Agreed.

Mr. Herridge: May I just raise one point. You mentioned that this extension of time would apply to all leaders. Would that mean the first spokesman for each party, whether he be the leader or not?

The Chairman: The hon. member for Kootenay West suggests that it should apply to the first spokesman for each party. Is that agreed?

Some hon. Members: Agreed.

Mr. Nowlan: Mr. Chairman, I should like in the five minutes left to me at this hour to give a picture of the Canadian economy and the economic development of our country as the government sees it at the present time. The Canadian economy has been expanding. Employment has been increasing and unemployment is decreasing. Our exchange position, Mr. Chairman, is improving and prices have remained relatively stable. The present performance of the economy is impressive by many standards. In the second quarter of this year our gross national product was at an annual rate of about $39.5 billion, almost $4 billion higher than in the initial quarter of 1961. Between these two periods real non-farm output rose by 8 per cent to a level 7 per cent above the previous peak. I emphasize "previous peak". It is not last year, but 7 per cent above the peak of the past. Even more impressive has been the gains achieved in industrial production. In the three months ending July 1962, the volume of industrial production had increased from 12 per cent to a level 9 per cent above the previous peak. The improvement in manufacturing for the past year and a half has been particularly encouraging. The available figures for July show that manufacturing output had risen by 13 per cent while that of durable manufactures was up by 18 per cent. The gains in production in our country have meant increases in jobs and reduction in unemployment. In the first nine months of this year there were on average nearly 200,000 more Canadians at work than in the same period in 1961. The rate of unemployment seasonally adjusted has been declining for the past year and a half and is currently 5.6 per cent of the labour force, compared with 7.7 per cent as at the beginning of 1961.

These gains in employment have been accompanied by higher income. Between the first quarter of 1961 and the second quarter of 1962 incomes from wages and salaries are up 9 per cent and personal disposable income by 11 per cent. The level of business profits has also been responsive to the gains in economic activity, the second quarter of 1962 being about 30 per cent over the first quarter of 1961. Consumer spending and services have risen by 7 per cent. Automobile sales are establishing a record this year. To the end of August 360,000 passenger cars had already been sold, 50,000 more than in the same months of 1961. Business has been increasing its investment in plant, equipment and machinery to meet the demands for expanding markets and for new products. In the first half of this year business investment was running 6 per cent above 1961. Undoubtedly

the improvement in profits, rising capital cost allowances and certain government incentives have all played a part in bringing about this increase. High levels of income have made possible an increase in personal savings. In the first half of this year personal savings at an annual rate of $1.9 billion are nearly 50 per cent higher than they were one year ago.

Canadian exports have increased strongly over the past few years considerably faster than imports. As a result, Canada achieved a trade surplus of $173 million in 1961, her first surplus of any significance since 1952. In 1962 so far, Mr. Chairman, our exports have continued to increase. In the first eight months of this year, exports rose by 11 per cent over the same period last year. These increases in exports have meant more production, more income and more jobs on our farms, in our mines and in our factories, all of which can be attributed to the general improvement in the economy.

Turning to imports, developments over the past few years have also been encouraging. In the current year, the month to month movements have been obscured by the effects of transport strikes and by imports of non-commercial military aircraft, as well as by the changes in the exchange rate. The effects of the most recent movement and stabilization of the exchange rate and of the temporary import surcharges are not yet visible in the published statistics. Over a longer period the picture becomes clearer. In the past few years the percentage of imports of goods to total domestic production has been declining. In 1956 the ratio was 18.2 per cent; in 1961 it had fallen to 15.5 per cent. In other words, domestic Canadian production has been increasing faster than has imports.

The monetary and financial policies accompanying, and indeed underlying, this sound growth of the Canadian economy have been designed to facilitate the flow of capital from Canadian savers to Canadian investors at reasonable rates of interest.

Mr. Gregoire: Mr. Chairman, may I ask a question here?

Mr. Nowlan: When I have finished. The hon. member will have lots of time to ask questions over the next few days while we are carrying on this discussion, if necessary.

Over the 12 months ended September 30, 1962 bank loans increased by 20 per cent. Net funds raised by provinces, municipalities and private borrowers from securities markets and the banking system in the same 12 months period was 22 per cent higher than in the preceding 12 months. The government's own lending institutions have also played an expanding role in financing Canadian development.

May I call it five o'clock, Mr. Chairman?

Progress reported.

Mr. Deputy Speaker: Order. It being five o'clock the house will now proceed to consideration of private members' business as listed on today's order paper, namely, notices of motion.

CANADA ELECTIONS ACT

SUGGESTED AMENDMENT TO PROVIDE PERMANENT LIST

Mr. Eric Stefanson (Selkirk) moved:

That the government should consider the expediency of amending the Canada Elections Act to provide for the establishment of a permanent list of electors, with biannual revisions thereof, as now exists for instance in the United Kingdom and in Australia, in lieu of the present method of preparing and revising lists of electors at each general election, so as to permit shortening the period of time between the issue of the writs of elections and the date the said writs are made returnable.

He said: Mr. Speaker, this being the first time I rise to take part in a debate in this first session of the twenty fifth parliament, I should like to offer my sincere congratulations to you on your appointment to the position of Deputy Speaker. I also want to extend my congratulations to Mr. Speaker and to the deputy chairman of committees. I know that to date you, as Deputy Speaker, have discharged your duties with dignity and fairness, and I hope you will remain in this office for a considerable time.

In introducing this motion, Mr. Speaker, may I say that I feel it would be desirable to amend the Canada Elections Act to provide for the establishment of a permanent list of electors with biannual revisions thereof. I have a situation in my own constituency whereby under the existing elections act many people, depending on when an election is held, are disfranchised. We had such a situation during the last election where several hundred fishermen had gone to their fishing grounds and, not being at the poll where they were registered they lost their votes. I feel that a situation exists which it is desirable to correct.

I am aware of the fact that the elections act was amended in 1960 and that at that time it received a thorough scrutiny by the standing committee on privileges and elections. At that time the committee dealt with absentee voting and felt that it was not desirable at that time to include this in amendments to the act. I personally feel that

the elections act should receive constant review and scrutiny and that the ultimate aim should be to provide every Canadian with the franchise. I also realize that the elections act has to be written in such form that it is practically foolproof and so that abuses of the act will be at a minimum.

Having expressed my views on the need of constant review and scrutiny of the elections act, I wish to point out to the house a situation that exists in my own constituency. I am referring to the fishermen on lake Winnipeg being disfranchised. In 1958, when the election was held on March 31, the fishermen were able to vote because at that time of year there are no fishing operations going on in Manitoba and therefore the fishermen were at their respective homes. The situation in 1962, with the election being held on June 18, was entirely different. The fishermen were then out on their fishing grounds on lake Winnipeg and consequently were unable to vote.

I am sure that other members have constituencies with similar though not identical situations and perhaps not on as large a scale as exists in the Selkirk constituency. Several hundred men there are engaged in fishing and they were disfranchised. Yet at the time of the election they were in their own constituency, as all of lake Winnipeg is within the boundaries of the Selkirk constituency. These men are vitally interested in public affairs and were distressed about not being able to vote.

At the time of the last election I checked the elections act thoroughly and consulted with the chief electoral officer to see if there was any way in which these men could be accommodated. However, under the present elections act there is no provision to look after this type of situation. I was asked why they could not vote at the advance poll. The situation is this. The summer fishing season on lake Winnipeg starts on June 1 and ends early in August. The fishermen generally leave home about one week before the season opens or around May 24. The advance polls were open on Saturday, June 9 and Monday, June 11.

The amendments to the elections act in 1960 provide for more advance polls so that now anyone who will be away on election day can vote at an advance poll. This was a forward step. Each advance poll is set up to accommodate a certain area and only those on the voters lists for the polls in that area can vote at the advance poll. This means that the fishermen would have had to come back to their homes to be able to vote at the advance poll. They could neither vote at the advance poll nor at a regular poll in the vicinity of their fishing grounds.

I was also asked why the advance polls were not held earlier. The answer to that is that the official nomination day is two weeks before election day, and in this case it was on Monday, June 4. Then there has to be time given to print the ballots and distribute them to the deputy returning officers for the advance polls. Therefore the dates of Saturday, June 9 and Monday, June 11 were the earliest dates that the advance poll could be held. My understanding is that the only way to assure the fishermen of their franchise is to set up a permanent voters list and use absentee voting. I understand that the province of Manitoba has amended its voting regulations so that the fishermen can vote by mail.

So far, Mr. Speaker, I have only mentioned one category of people who have been disfranchised but no doubt there are many others. Another large group no doubt would be construction workers. These workers would be scattered all over the country. By setting up a permanent list and using absentee voting a person would be able to vote for a candidate back in his or her home riding regardless of where he or she might be working. I feel it is desirable to achieve this. An absentee form of voting has been established for service personnel and I believe that this privilege could be and should be extended to all Canadians.

Permanent voters lists have been established in Great Britain, Australia and many states of the United States. As far as I know they are working with a reasonable degree of success. My understanding is that absentee voting was used in the federal election of 1935. I also understand that at that time it did not meet with too much success. However, I am inclined to believe that the failure was not due to the system but rather to the application of it. My experience has been that in most cases when new legislation is introduced unforeseen things develop which generally require ironing out. No second chance was given to this system when it was tried out in 1935.

I want to refer very briefly to the minutes of proceedings and evidence of the standing committee on privileges and elections when they met in April, 1960. Mr. Castonguay, the chief electoral officer, appeared as a witness before that committee. First of all, I wish to read what the vice chairman said, as found on page 41:

> Now we come to the main item for discussion at this meeting, which was considered by the meeting of the subcommittee on agenda and procedure. The subcommittee recommends that the matter of permanent lists and absentee voting be the first topic for consideration by the committee.

Then he outlines the reason.

We thought that instead of going right ahead and proceeding to the study of the electoral law, item by item and section by section, it would be preferable to deal with the most important matter first and to dispose of it, as it affects one third of the law, as I said. Then, when we have discussed and decided that aspect, we can come back and study the items individually and section by section, so as to permit a flow of permanent, constructive ideas, not entangled in questions of absentee voting, electoral lists, and such. This is why we thought it would be best for this committee to proceed with the permanent lists and absentee voting first, and then we would go back to the law and study it section by section.

You can see by these remarks by the vice chairman of the committee that the committee placed this matter very high on the agenda and considered it to be of very great importance. I wish to quote some parts of Mr. Castonguay's statement with respect to absentee voting. As found on page 42, he said:

Mr. Chairman, the question of absentee voting and permanent lists has been studied by committees of the House of Commons for at least 30 years, at various times; and on one occasion the system of permanent lists and absentee voting was adopted, for the federal elections in 1934.

That is the election in 1935 to which I referred.

In 1934 the absentee voting provisions related to miners, fishermen and lumbermen. They had absentee voting privileges if they were absent not less than 25 miles from their own home polling division, and were within the province in which they were living. The system of permanent lists was used for the first time at the 1935 election.

The standing committee on privileges and elections met from 1936 to 1938. They reviewed what had happened in 1935 and decided to discontinue the use of permanent lists. I feel that a fair trial was not made at that time in that the system was only tried once and was not given a second chance. Mr. Castonguay went on to say:

The failure of the system, in my opinion, is attributable to the fact that they adopted permanent lists without the working parts of permanent lists. There was a general enumeration of all the electors in Canada in October, 1934. Then the Franchise Act provided for an annual revision, which was held in June, 1935. The election was held in October, 1935.

With a permanent list, in order to vote an elector's name must be on the list; and with that very system, in 1935, the only time an elector could get on or off that list was during a three week period in June, 1935. After that period was over there was no way of getting on or off the list.

The burden of keeping the list up to date fell chiefly upon the political organizations and the candidates during that period of revision in June, 1935. The revision was not done on a house to house canvass basis.

The onus was upon the elector to go to the registrar and notify him that he had arrived in the district and wanted to be on the list. The onus was pretty well on the political parties to have names removed of electors who had left the electoral district or who had died. Generally speaking, I think everyone was in agreement that that list was rather obsolete in 1935—so much so that legislation was passed to scrap the list, and not even use it as a basis for by-elections after 1935.

In my opinion, permanent lists, in order to be effective, must have a biannual house to house revision by enumerators. This opinion is arrived at from a study of permanent lists in the commonwealth countries of Australia, New Zealand, South Africa and the British Isles. In these countries they have a house to house revision. It is at least a biannual revision on a house to house basis.

An interesting point is that in Australia, where you have compulsory registration and compulsory voting, they still have a biannual revision on a house to house basis. They find it is essential.

Now, I realize that it will be a costly process to establish a permanent list which would prove to be satisfactory and which would guarantee improvement over our present system. If it does not prove feasible to establish absentee voting on a nation-wide basis, then I think consideration should be given to establishing it on a provincial basis, or at least within an electoral district. By establishing this on a provincial basis, it would take care of the majority of voters and on an electoral basis would also take care of a considerable number of electors, including most of the fishermen in the constituency of Selkirk. The ultimate aim should be to see that every Canadian is able to exercise his franchise.

The setting up of a permanent list would also permit the shortening of the period of time between the issue of the writs of election and the date the said writs are made returnable. With the vast improvements in communication and transportation in the past 20 years, I feel that it is feasible and desirable to shorten the duration of election campaigns.

I am sure that there are many other members who would like to speak on this resolution, so I will conclude my remarks by saying that I hope that members from all sides of the house will give serious consideration to the proposals in this resolution and I hope they see fit to support them.

Mr. R. N. Thompson (Red Deer): I want to keep my remarks in regard to this resolution very brief. As I read the subject matter I asked myself, and then I inquired further afield, if perchance any of the resolutions that are brought up by private members ever pass. I was informed, no, they never pass.

Some hon. Members: Yes.

Mr. Thompson: If they do, then I am very happy to be corrected because I think this is a worth-while matter for our consideration. One of the things with which we must be concerned as we watch and take part in the operation of the democratic process, is the improvement of that democratic process to see that it fulfills its intended objective

efficiently. In this regard, I feel this motion has much worth in it because it concerns something that has been already brought into the democratic process in other countries. It would be one way to very definitely assist people in taking part in voting.

Furthermore, I believe this is a means by which we can shorten the campaign period. I believe it was the unanimous opinion of members of different parties who took part in the last election campaign that an election campaign of nearly two months duration is too long. By taking a permanent voters list and by keeping it up to date, we could cut in half the time allotted to election campaigns. In the days when we did not have aeroplanes and when we had to travel by trains or even by horse drawn vehicles, perhaps an election campaign of 58 or 59 days was necessary. However, in this day and age when you can move across the country in a matter of hours, it is high time we streamlined our election procedures, as we are speaking of them here.

There are those who oppose this measure on the grounds of expense. I have done a certain amount of research on this subject because it is something of which I have been very conscious for the last several years. It has been estimated that, roughly speaking, it would cost about $5 million a year. This is a large amount of money; but when you understand that it would assist municipal governments as well as provincial governments in their elections, you find that the cost would be spread over all levels of elected governments, and realize that this cost is not great at all. I trust that this is an example of a motion that deserves our conscientious consideration and that each one of us who is concerned with streamlining our electoral procedures and making elections more efficient, will consider it favourably.

Mr. Frank Howard (Skeena): We naturally support the idea put forward in the resolution, particularly in view of the fact that it is necessary to have a permanent voters list in order to have a system of absentee balloting. Unlike the sponsor of the motion, my attitude towards the motion is bound up exclusively in the question of absentee balloting. While I am sure we are all interested in a motion which would have the effect of shortening the period of time between the issuance of the writs and polling day, I think that is perhaps a secondary consideration. Our attitude should be directed towards providing people with full opportunity to cast their ballots on election day. It is for that reason we in this party wholeheartedly support the concept advanced by the hon. member.

In my own province, we have a system of absentee balloting and have had for many years. We have a large number of people who are able to cast their ballots because of the fairness of that law. Fishing is a very important part of the economy of British Columbia. In provincial elections, fishermen can vote by absentee ballot, but they cannot vote in federal elections because in that field there is no such system. Loggers, construction workers, travellers, transportation workers and even lawyers away on cases have lost their right to vote in federal elections because there has been no absentee system.

In 1957, when I was first elected to this house, I prepared and introduced a bill to amend the elections act to provide for a system of absentee balloting. This bill was worded with a view to the limitations imposed upon me and every private member in connection with the spending of public funds. The principle behind it was to establish a system of absentee balloting.

Again in 1958 I introduced the same bill and hon. members will find on the order paper this session a similar bill, amended to take into account the elections act amendments of 1960. It is a bill to provide for absentee balloting, and will come up for consideration later this session, should the session last that long.

This is an indication of the attitude of the party to which I belong. It is a consistent attitude with respect to providing the right to vote to people who might be denied it by reasons of location or other factors.

I was very interested in the references made by the hon. member who sponsored the motion in the standing committee on privileges and elections. When it met in 1960 and considered the elections act and reported various amendments back to the house, I was the only member on it from my party and I was the lone, single, solitary voice on that committee advocating a system of absentee balloting. If reference is made to the record of its proceedings on April 7, it will be found that I was a minority of one voting in favour of a system of absentee balloting. I hope the house will accord speedy passage to the motion now before it so that it may be referred for study to that committee.

At a very rough estimate there were approximately 200,000 people in Canada of the age to vote but who could not vote in the last election because they were away from the polling divisions in their own constituencies. In recent days this question has been discussed in the United States and a Mr. Brendan Byrne, who is either a secretary or holds some other high office in the American heritage

foundation, has estimated that in the 1960 presidential election in the United States there were 8 million people who were classified as mobile adults unable to meet state, county or precinct residence requirements and so were unable to vote. He has said that a system of absentee balloting could take care of that problem.

He has also estimated that there were 5 million people in the United States who were kept away from the polls by reason of being in hospitals, nursing homes and the like, while an absentee system would have provided them with the opportunity to vote. He further estimated that there were some 2,600,000 adults travelling for business, health, vacation or other reasons who were unable to obtain absentee ballots.

We have a similar problem in Canada and we must concern ourselves with it. There is the inalienable right of a person of proper age, who meets all the qualifications, to cast a ballot in a federal election, and of secondary concern to that are the expenditures and costs of providing an absentee balloting system. We should always keep in mind in enacting legislation that we should provide those citizens with every possible opportunity to cast their ballots on election day, regardless of where they may be. They should not have hurdles, barriers, prohibitions and restrictions put in their way. The elections act, as it is now worded, does not provide a system of absentee balloting and therefore it presents hurdles, prohibitions and barriers to approximately 200,000 people in Canada. This should not be a part of our democratic structure, and I repeat that I hope the motion before us will be given speedy passage and that later on we can proceed to enact legislation with provision in it for absentee balloting.

Mr. Frank McGee (York-Scarborough): I am most grateful for the opportunity to speak on this motion and I should like to congratulate the hon. member who moved it so early in the session when our memories are fresh with recollections of our recent experience.

I would agree with the hon. member for Red Deer (Mr. Thompson), that there is an unanimous or near unanimous view, held not only by members of political parties but also by members of the public, that a shorter election campaign is desirable. I would also agree with the hon. member for Selkirk (Mr. Stefanson) and the hon. member for Skeena (Mr. Howard) in their justifiable and proper concern with the problem of fishermen and other special categories of people who have a particular problem in registering their votes. However I think they may be mistaken in thinking that this resolution provides the full solution to it, and I suggest that perhaps a permanent voters list is not the best way to go about solving the various components of the problem as they were outlined today. I have an alternate proposal to make and it is aimed directly at achieving the result which the motion seeks:

—so as to permit shortening the period of time between the issue of the writ of elections and the date the said writs are made returnable.

When the question of this permanent voters list was before the committee on privileges and elections, of which I was a member, so far as my recollection goes the decision not to proceed with a permanent voters list was a unanimous decision. I may be subject to correction on that, but before proceeding any further there is one other observation I should like to make concerning the special problems of special groups in the electorate. It has to do with the service vote. The service vote problem, which was given such wide attention in recent times, would not be solved by a permanent voters list.

In answer to another point raised by the hon. member for Red Deer when he was discussing the cost and when he suggested that other voters lists could be drawn from the same source, while that might appear to be the case at first glance, there would still be required a certain amount of processing because, as the hon. gentleman knows, there are different qualifications for different types of elections, federal, provincial and municipal qualifications, and there would be much activity related to finding the particular qualified people within a community with the right to vote in a particular election. While I can see his point in justifying the expense involved I do not believe such a list would provide a complete voters list for every electoral environment in the country.

The statement of the chief electoral officer to the committee, about which reference was made by the hon. member for Selkirk, was to the effect that the initial cost of establishing this voters list would be between $6 million and $7 million, and he suggested that it should be revised at least twice a year. I cannot recall whether it was during the committee proceedings, or as a result of private conversation afterwards, but I gained the very definite impression that in his judgment a revision four times a year would be the desirable arrangement.

I would be inclined to agree with him and other authorities from other jurisdictions who have expressed opinions on this, because of the problem which exists in the constituency of York-Scarborough where there was an increase of some 40,000 voters between 1958

and 1962. Forty thousand over a four-year period means 10,000 a year. If the list was revised twice a year, this would mean there would be 5,000 new voters going on the list at the time of revision; so that at any given six months period there would be an additional 5,000 people who presumably, theoretically, could be missed completely, to say nothing of the many thousands who move from one part of the vast area of metropolitan Toronto to another, or in and out of the constituency. I assume there would be the possibility that 7,000 people would be missed in York-Scarborough, or could be left off the voters list even if this permanent list were in effect. Perhaps that is, again, being too personal in connection with my own experience.

But if we wish to have two things guaranteed, as the hon. member for Skeena very rightly pointed out, if we want to guarantee the maximum opportunity on the part of voters to register their vote in our democratic society, then we have to address ourselves to the specific problems of dealing with specific groups, those people in hospitals and travelling salesmen. In 1960 we made quite an improvement to the act by extending the advanced poll opportunities to increased categories of people, but we did not come to grips with these other problems to which reference has been made.

However, I think we can resolve that in one way, by moving the advanced poll opportunity further away from polling day. There have been many cases in my own constituency when people were leaving the constituency for one reason or another, and the fact that it happened to be the Saturday before did not materially alter their opportunity to vote, because the trip they were taking was of such a length as to encompass both those dates. I think this is particularly true of people involved in such activities as fishing and activities which take them away for a certain period of time.

My proposal in the alternative, in order to provide the maximum opportunity to the maximum number of persons on the voters list, the maximum scrutiny of the authenticity of the people on this list, is to come at the problem from another direction; that is, to attempt to set down ground rules in an act in this parliament which would in effect have the active, public participating part of the campaign designated as being the last four weeks of the campaign.

When this suggestion was first put forward after the election, the *Globe and Mail,* in a very generous editorial, suggested that I was in fact suggesting bootleg politics. If this suggestion had been made when the house was in session there might have been a question of privilege here. However, part of the editorial reads:

> —Mr. Frank McGee ... will have public support for his proposal to shorten future campaigns. Mr. McGee is being impracticable, however, when he suggests that this can be achieved by a private bill—

The writer goes on to say:

> This newspaper is sorry to doubt that there is any conceivable law that could compel a politician to keep his mouth shut for four weeks at any time, and certainly not in the period prior to an election.

I thought this was a rather whimsical view. But I do believe it is possible for the members of this parliament or some future parliament to lay down a set of ground rules similar in purpose, intent and operation to the ground rules that apply at the present time to the last period of the campaign. We certainly could have as a component of that bill an undertaking that no public advertising from a political party or a candidate would be allowed in the newspapers, on the radio or other public media. We could designate in that act that the post office would not accept mailing material or literature for distribution until four weeks before the beginning of the campaign.

I acknowledge at once that in this act one would have to permit parties to hold nominating conventions and to have meetings in various parts of the country. But this is very different from what I think we all understand as being a full-fledged election campaign with public meetings, public advertising, public rallies and the other accompanying factors. In other words, I think we as members of parliament have the ability to agree upon a frame of reference or a set of conditions which would in fact designate that the election campaign would begin at such and such a date and that any other public activity should not be engaged in prior to that period. I am not suggesting that politicians suddenly become dumb, in one sense of that word, during the first four weeks, as is suggested in this editorial; but I do believe a measure could be worked out which would in fact guarantee maximum participation, a thorough enumeration and a thorough revision of that enumeration; that we could add to the act special legislation to enable special cases, such as fishermen, service people and others to vote within that period. The service vote particularly poses the kind of problem that requires this longer period within which the election material could be brought forward in a way which would satisfy the specific complaints raised by hon. members who contributed to this debate.

In summary, Mr. Speaker, I would agree with the position taken during the committee regarding the price we would pay for

this permanent list. That price is $20 million. The initial cost is $7 million, the running cost is $5 million a year, and assuming, as one has to in these things, an election every four years, we are adding a $20 million fixed cost which I suggest will not achieve all the objectives set out for it by those who support such a list. I suggest a counter proposal to save individuals and the public at large from this sustained activity and expense.

Mr. Speaker, I might just say a further word or two before I sit down. I think the campaign period reduced along the lines and subject to the conditions I have suggested might do something really effective in the area of reducing the cost of elections, the solution to which seems to have escaped not only this jurisdiction but jurisdictions in all parts of the world.

Mr. Thompson: Mr. Speaker, may I ask the hon. member a question?

Mr. Speaker: The hon. member for Red Deer may put a question if the hon. member will accept it.

Mr. McGee: Certainly.

Mr. Thompson: Thank you, Mr. Speaker. The hon. member for York-Scarborough emphasizes the cost involved in the compilation and maintenance of a permanent voters list. I am somewhat familiar with the procedure used in Great Britain in regard to this matter, where they have three times as many voters as we have. Does the hon. member infer that the cost amounts to £20 million, shall we say? I do not think so. Is the hon. member not overplaying this item of cost as far as the figures he has used are concerned?

Mr. McGee: Mr. Speaker, I have been drawing my information as to cost from the testimony of the chief electoral officer given before the privileges and elections committee in 1960. The cost given with regard to the jurisdiction in the United States, which is perhaps more easily comparable to our conditions, Great Britain being a much more compact community, has been estimated at $1 a name, so the estimate of $5 million a year for a review twice a year comes from the testimony of the chief electoral officer, supported by other electoral officers in other jurisdictions in North America.

Mr. Thompson: Mr. Speaker, I was referring specifically to Great Britain. Could I ask a further question of the hon. member for Selkirk, who moved this motion? Does the hon. member have any information at his command which he might give to the committee in regard to this point raised by the hon. member for York-Scarborough?

[Mr. McGee.]

Mr. Stefanson: Mr. Speaker, I have the same information as the hon. member for York-Scarborough, which was given to the committee by the chief electoral officer. I think it is an annual expense—

Mr. Aiken: Mr. Speaker, on a point of order, if I may, I think the house should be sure that the hon. member is not closing the debate in answering this question.

Mr. Speaker: Not at all. Has the hon. member finished? The hon. member for Brantford (Mr. Brown).

Mr. Aiken: While Your Honour's attention was diverted the hon. member for Red Deer asked a question of the mover of the motion, who was proceeding to answer it.

Mr. Speaker: That slipped my mind while I was discussing another subject. The hon. member for Red Deer did not have the right to question the hon. member for Selkirk at that moment, because the hon. member for Selkirk having resumed his seat, and someone else having intervened, he no longer had the right to speak. In that situation the hon. member for York-Scarborough only could speak, since there was time left to him.

I will now recognize the hon. member for Brantford (Mr. Brown).

Mr. J. E. Brown (Brantford): Mr. Speaker, as this is the first occasion upon which I have addressed this house in this parliament, I should like to offer my sincere congratulations to Your Honour upon your selection as Speaker. I hope and know that your presiding over our debates is welcomed by this house as a whole.

I am interested in the resolution which has been moved by the hon. member for Selkirk, and I was much impressed by the contribution made by the hon. member for Red Deer. Unfortunately, since I was away from the chamber, I heard only part of the remarks made by the hon. member for Skeena and the hon. member for York-Scarborough. This is a subject which is of great importance to this parliament and to the country generally. I am very much in favour of the resolution. I, myself, feel that the most important result would be a lessening of election expenses, which was the chief point raised by the hon. member for Red Deer. I believe the cost of elections in Canada has become excessive and that the situation should receive the attention of this house. This is one occasion upon which that attention can be given. It is chiefly for this reason that I support the resolution. I believe there are occasions when private bills brought before the house by private members can play an important part in the life of Canada. The hon. member is to be commended for bringing forward his resolution at this time.

I, myself, felt reticent about speaking on the subject and I therefore had in mind listening at some length to various opinions by other hon. members with regard to the resolution before I made a contribution to the debate. At first I had in mind proposing that the resolution be amended so as to refer it to the standing committee on privileges and elections. Then I thought such a course might be disappointing to the hon. member in whose name this motion appears, because it might result in a considerable delay. But I was anxious that the subject should receive a thorough study. It seemed to me that on the face of it there was no compelling reason why the house should not pass the resolution. On the other hand, there might be aspects of the question which should receive our consideration. However, after thinking the matter over I decided I would not move the amendment but would support the resolution in the hope that it will receive the general support of the house.

The other principal matter which has been raised concerned provisions for the assistance of absentee voters and of voters in general who are called out of their constituencies and cannot vote on election day. The arguments in this respect did not impress me as much as the likelihood of lessening the expenses of elections. I had just entered the house when the hon. member for York-Scarborough was on his feet, and I did not entirely grasp his argument in this respect, but it seems to me that the money which it would cost this country to provide a permanent list of electors, with biannual revision, would be easily offset by a reduction in the cost of elections generally. Thus, I believe this resolution should receive the support of all hon. members.

I really have nothing further to bring forward at this time because I confess I have not given this question all the study which I should, but I do wish to put my views on record. I believe the resolution should carry and I am much indebted to hon. members who have already spoken for the views they have presented.

(Translation):

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I shall be brief, because I only wish to make a few remarks in connection with what the member for Skeena (Mr. Howard) said.

The hon. member seems to explain the political discomfiture of the socialists by the fact that there is no absentee voting provision. I think that he could look elsewhere for the reasons why the electors, even when they are at home, do not want to cast their votes because they think perhaps that the New Democratic party is not the one that can solve the problems which face the citizens, more particularly those of Saskatchewan.

It could even be said that those who are in their districts on election day do not avail themselves of their right to vote exactly for the reasons I just mentioned. Therefore, those who think that the socialist candidates will have a chance to be elected if there is an absentee voting provision are slightly mistaken.

(Text):

Mr. Thompson: Very absent minded.

(Translation):

Mr. Marcoux: On the other hand, there are some voters who are actually present in their riding, but who are not listed on the voting lists. I noticed such a situation in several instances in my own constituency where those voters were prevented from exercising their franchise. I feel that this is more undemocratic than the situation in regard to absentees, and that is why I suggested in my report to the chief electoral officer that the sections of the Canada Elections Act dealing with rural voters be also made to apply to city voters, provided they could be readily identified. This would mean that in both the urban and rural areas, the individual whose name does not appear on the voting list could still cast his ballot, provided he is adequately identified by another voter listed with the same polling station.

Mr. Speaker, I would even go so far as to say such a voter could be identified by means of an electoral identification card. And I am convinced that a permanent list of voters would soon become useless. Furthermore, the large amounts which, in the opinion of the various members of the house, would have to be spent for the maintenance of such a permanent list, could be saved, and possibly distributed to farmers in the constituency of Bellechasse, who do not receive a sufficient income from the operation of their farms.

Mr. Speaker, as regards absent voters, there is no doubt that some might be away for long periods of time. I can see that there may be inherent difficulties in the elections act, because we know that perfection is not to be found on earth, and not in electoral matters any more than in any other matter, including medicine.

On the other hand, there are advanced polls—and especially since the latest amendments to the Canada Elections Act—which allow electors who have sufficient reasons not to be in their constituency on polling days, to exercise their franchise by presenting themselves to those polls on the days preceding the election date.

Besides, I think it will always be difficult to make people vote, and that for various reasons. For instance, there are those who voluntarily abstain from voting, those who are absent and who do not want to vote in advance polls, as well as those who are present but whose names are not on the voting list.

Mr. Speaker, although my leader has expressed the view that the suggestion made by the hon. member for Selkirk (Mr. Stefanson) should be accepted, I think there are several other decisions to be taken with regard to the Canada Elections Act before accepting the hon. member's motion, which has much merit just the same, especially that of coming from the right side of the house.

However, as independent members, I think we are entitled to express our opinions about the various improvements which should be brought to the act, in co-operation with the chief electoral officer. Furthermore, I share the view of the hon. member sitting on your left who stated a moment ago that this motion should be referred to the committee on privileges and elections. Perhaps that would be the most logical solution.

(Text):

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, in taking a few moments to participate in this debate, I am not going to allow myself to be drawn into the discussion as to why some people vote and some do not. I think that could lead us into the sort of partisan discussion which should be avoided when we are considering amending the Canada Elections Act. I must say that I should like, while I have this opportunity, to say that I am not one of those members who agree that the present time allowed for election campaigning is too long. The hon. member for Red Deer and the hon. member for York-Scarborough both mentioned this in their discussion of the resolution. I must say that I find that in a constituency like Comox-Alberni the present time allowed after an election is called is hardly long enough for a candidate to present himself physically before the electors in the various communities of his constituency. While we hear talk about a lot of money being spent on elections, I think that that is a question which lies in the hands of the various political organizations of this country; and in so far as one is thinking of a national campaign, it also lies in the electioneering strategy that the various political parties decide to adopt.

[Mr. Marcoux.]

I would come back to what was said earlier by the hon. member for Skeena in respect to the need for our drafting an elections act which will as far as practicable allow every Canadian citizen to have a vote in a federal election. This was a matter of some considerable concern to me when I sat previously in this house, and I have the sort of interest in it which has been carried forward by the hon. member for Skeena, with particular reference to allowing absentee voting. It may be true that in Quebec-Montmorency and other parts of Canada people are still living in the places where their grandfathers lived. But that is not the situation in a province like British Columbia. A great many people of a great many different schools of political thought find themselves, in the course of carrying on their employment, moving from one constituency to another, even between the time the enumeration takes place and polling day. Not only hundreds of fishermen, as was suggested by the proposer of this resolution, but actually many thousands of people, through the necessity of earning their livelihood, have to go into different places in that interval. To my way of thinking the only reasonable way of dealing with this question is the provision of an absentee voting system.

I am not convinced in my own mind—here I may have to have some private discussion with my hon. friend from Skeena—that the solution to this problem is to be found in the creation of a permanent voters list. In our provincial elections act in British Columbia, we have had for many years now provision for a permanent voters list and an absentee voting system, and the permanent voters list as it is operated in British Columbia has created a lot of problems and has been the result of a lot of people being disfranchised on election day. My own opinion up to now has been that if we could have a system of enumeration and the development of a voters list such as we have in the present federal act, and combine it with a absentee voting provision such as we have had in British Columbia, we would approach somewhere near the situation of enabling every qualified citizen to vote.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I must first express my apologies to the hon. member for Red Deer for preventing him from getting an answer to his question, but I feared at the time that if the mover of this motion were to be dealt with as having spoken, then I would not have any chance to make the remarks I wanted to make myself—although it does not look as if I will have much time anyway.

One thing I should like to mention in the minute which remains before six o'clock is this. In 1960 the standing committee on privileges and elections considered the very subject we are now discussing, and at that time it was felt that the first step in enlarging the election—

Mr. Speaker: Order. The time for private members' business having now expired, we will revert to the business that was interrupted at five o'clock.

WAYS AND MEANS

The house in committee of ways and means, Mr. Paul in the chair.

The Deputy Chairman: Order. House in committee of ways and means. It being six o'clock I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Nowlan: Mr. Chairman, I listened to a C.B.C. commentator shortly after six o'clock during the dinner hour and he referred to the American press gallery that is attached to the White House being as nervous as expectant fathers outside the maternity ward in a hospital. I am sure that our press gallery is not quite in that situation, but I am quite convinced that whatever still small voices may be raised here tonight with respect to the economic affairs of Canada will be somewhat dwarfed by the headlines that may appear in the press tomorrow following the statement which has been made by the President of the United States. However, be that as it may, I know it is our responsibility to go ahead with an analysis of the economic situation as we see it in this country at the moment and events of external affairs and foreign affairs can be analysed and dealt with at an appropriate time in this house.

When the committee rose at six o'clock I was dealing with the increase in bank loans and other indices of expanded credit in this country and I should like to proceed from there for the time being. Interest rates declined throughout 1961 up until the middle of 1962. The exchange emergency which developed in June was accompanied, however, by a sharp rise in interest rates. The increase was both a reflection of the emergency and a suitable response to help correct the situation. Since June the improvement in our foreign exchange reserves has been accompanied by declines in interest rates which have become marked in the past few weeks. The Bank of Canada discount rate was reduced in two steps from the June 24 level of 6 per cent to 5 per cent. Yields on government of Canada bonds are now generally less than one quarter of a point higher than they were a year ago.

A great source of satisfaction to all members of the house, I am sure, has been the stability of prices achieved in Canada over the past few years. Relative price stability is one of the cornerstones upon which other economic objectives rest, particularly in the increasingly competitive world environment in which we have to earn our living. I should like the committee to note this, Mr. Chairman, that over the past year the increase in the consumer price index has been a modest 1½ per cent, reflecting some upward movement in the cost of services and food and virtually no change in all other categories of goods.

Mr. Pearson: If the hon. gentleman will forgive me, before he proceeds further I wonder whether he would ask for permission to revert to motions, if the house so desires, so that I might ask the Prime Minister if he has a statement to make in respect of the very important development that has occurred this evening in the announcement by the President of the United States. I only do this, Mr. Chairman, after having consulted with the other side of the house.

Mr. Churchill: Mr. Chairman, I will move that the committee rise, report progress and ask leave to sit again later this day.

Progress reported.

EXTERNAL AFFAIRS

CUBA—STATEMENT OF PRIME MINISTER FOLLOWING TELEVISION BROADCAST BY U.S. PRESIDENT

Mr. Churchill: Mr. Speaker, I would ask leave of the house to revert to motions at this stage.

The Acting Speaker (Mr. Paul): Is it agreed that the house shall revert to motions?

Some hon. Members: Agreed.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the Leader of the Opposition called me a few moments ago and suggested that it might be appropriate if something were said at this time with regard to the speech just delivered on television by the President of the United States. Naturally it is impossible to say much. The speech was a sombre and challenging one.

The President pointed out that on the island of Cuba preparations were being made, and had already been advanced, for the

construction of bases for the launching of offensive weapons in the form of I.R.B.M.'s and that this constitutes a threat to most of the cities of North America including our major cities in Canada. The reason that I agreed to the suggestion of the Leader of the Opposition was to ask Canadians as well as free men everywhere in the world not to panic at this time. This is a time for calmness. It is a time for the banishment of those things that sometimes separate us. Above all, it is a time when each of us must endeavour to do his part to assure the preservation of peace not only in this hemisphere but everywhere in the world. The existence of these bases or launching pads is not defensive but offensive. The determination of Canadians will be that the United Nations should be charged at the earliest possible moment with this serious problem.

The President has stated that the matter will be brought before the security council at once, and whatever the reactions of the U.S.S.R. are to the statements made by President Kennedy, I think what people all over the world want tonight and will want is a full and complete understanding of what is taking place in Cuba. What can be done? Naturally, there has been little time to give consideration to positive action that might be taken. But I suggest that if there is a desire on the part of the U.S.S.R. to have the facts, if a group of nations, perhaps the eight nations comprising the unaligned members of the 18 nation disarmament committee, be given the opportunity of making an on-site inspection in Cuba to ascertain what the facts are, a major step forward would be taken.

This is the only suggestion I have at this moment; but it would provide an objective answer to what is going on in Cuba. As late as a week ago, the U.S.S.R. contended that its activities in Cuba were entirely of a defensive nature, and that the hundreds, if not thousands, of citizens of the U.S.S.R., mechanics, technicians and the like, were simply in Cuba for defensive purposes. As to the presence of these offensive weapons, the only sure way that the world can secure the facts would be through an independent inspection.

I should like to hear the views of the Leader of the Opposition (Mr. Pearson) on this, and the leaders of the other parties, for in times like these the divisions between us always diminish. Any suggestion that can be made that will bring about an alleviation or a diminution of the obvious tensions that must grip men and women all over the world tonight, will be helpful. Our duty, as I see it, is not to fan the flames of fear but to do our part to bring about relief from the tensions, the great tensions, of the hour.

[Mr. Diefenbaker.]

Canada has taken a strong stand throughout the years on behalf of peace. Canada knows the meaning of war. Canadians want peace, as do all free men in all parts of the world. My prayer this evening is that those who have the responsibility of statesmanship will always have in mind the need for doing everything that can be done to assure peace.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I think the house will be grateful to the Prime Minister (Mr. Diefenbaker) for providing, as head of the government, an opportunity for a statement and for the statement itself. I am sure that anyone who listened to the president's broadcast must agree with the Prime Minister when he referred to it as a sombre, serious statement. It was only a short time ago that the president was able to reassure the people of his own country, and the people of other countries, that the action taken by the Soviet union in Cuba, while a cause for anxiety, was not to be interpreted at that time as the transformation of Cuba into an offensive base, which would have been a cause for even more anxiety. Therefore, when the President had to announce this evening that he was wrong in that surmise, that he had been misinformed and deceived, and that the information at his disposal now was to the effect that this island so close to the shores of the United States was being turned into an offensive nuclear missile base. That indeed was a shock not only to the citizens of the United States but to Canadians and to the citizens of every free country.

Surely the thing now, Mr. Speaker, is to prevent that shock from resulting in either a feeling of despair and helplessness on the one hand or panic on the other. I think we can take comfort, and the Prime Minister mentioned this, out of the fact that the President of the United States has properly indicated that this matter is going to be brought before the United Nations security council and the organization of American states. I think it is important, as the Prime Minister has indicated, that these international organizations should be used for the purpose of verifying what is going on. If that can be done, it will be a source of reassurance to all people in the world as to the seriousness of the situation and the necessity of doing something about it.

Perhaps it would be possible for Canada to take part in the discussions that will be held before the organization of American states because the president referred to them as western hemisphere discussions. While we are not a member of that organization, this would be a suitable occasion for Canada to participate in this particular meeting, if that can be

done. There will be no question about our participation in any appropriate discussion at the United Nations.

I can only add, Mr. Speaker, that in any steps the government of Canada can take, speaking for Canada, to prevent this situation from deteriorating into the indescribable horror of nuclear war, and in any role it is possible for the government to play, it will get the full support of every member on this side of the house. This, Mr. Speaker, is an occasion where we will be privileged to co-operate with the government in anything it can do, in any fight it can make, for peace and freedom in this crisis.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, in adding my word, I should like to express my own personal, as well as our group's gratefulness, for the frank statement by the Prime Minister tonight. As we have listened to the remarks of the President of the United States of America, our actions and our carryings on here this afternoon, have been put into insignificance, because certainly we do live in critical times. There is a sense of encouragement in noting the respect in which Canada is held by all freedom loving countries in the world, and that encouragement is confirmed again in the words of the Prime Minister tonight.

We have a moral obligation, not only to our own people but also to our neighbours and friends in this ideological struggle that encompasses the world today, and it is our obligation to make our own stand on these matters clearly understood.

During the last half hour I have been thinking a great deal about a statement which was made a year or two ago by a prime minister of one of the newer nations of the commonwealth. He made these remarks to Prime Minister Macmillan:

> Events move so fast today, and on such a global scale that no man is any longer clever enough to calculate the expedient thing to do. Our only hope is to find and do what is right morally. Then events can never overtake us and we will find we have done the only thing which will outpace the immoral ideology of communism.

I believe it is characteristic of Canadians not to panic but thoughtfully and cautiously to watch the developments that are taking place with the definite conviction that it is our responsibility to do what is morally right and to make our actions in that regard known.

The situation about which the President of the United States spoke tonight is one of critical seriousness. We have seen it developing and, while we have not wanted to think it was as serious as it is, I believe the words of the Prime Minister have brought home the urgency of the matter. There may be a tendency to regard some of this as a result of the political situation in the United States, but I do not think that is the issue that is involved here. Therefore I am sure it will be the wish and desire of everyone in this house to give full support to those entrusted with the responsibility of government in taking that stand which as Canadians we should.

I add to what the leader of the official opposition has said, that it is hopeful, in the face of the grimness of the remarks of the president, that he is willing and has already initiated action both with the United Nations and the organization of American states. I am sure our delegation to the United Nations is already assuming its responsibility in this regard and will be backed up by our thinking and our action here at home.

I hope we shall also be able to make our influence felt in the O.A.S. organization, even though we are not a member of it. This is an appropriate time for us to assure the member countries of this hemisphere that we intend to play our part in this matter. It is not only Cuba that is involved. The Berlin situation is serious. Probably the situation in the Himalayan mountains has been used as a convenient smoke screen for the situation in Cuba. We do not know this, but nevertheless it too represents a very serious situation.

On behalf of those of us in this corner of the house I assure our fellow members of the house as well as the members of the government, the Prime Minister and the Canadian people that we are most concerned and our fullest co-operation can be assured at this critical hour.

Mr. H. W. Herridge (Kootenay West): Without any doubt, Mr. Speaker, Canadians everywhere this evening in Canada, as well as hon. members of the house, will be very seriously concerned with the full implications of President Kennedy's statement made on television just a little while ago.

The members of this group are interested to know if the Canadian government was consulted or informed before this momentous statement was made and this policy laid down. However, Mr. Speaker, we were very much relieved to know that the issue is being submitted to the security council of the United Nations and that the organization of American states is also being consulted.

We urge upon the government, and particularly the Secretary of State for External Affairs in whom we all have great confidence to utilize to the very limit our friendship for and our association with many nations of the world to the end that the cause of peace will be well served by Canada in the very serious and fateful days ahead.

Members of this party extend to the government our sincere and wholehearted co-operation in all it undertakes to advance this cause in which we all believe.

WAYS AND MEANS

The house resumed in committee of ways and means, Mr. Paul in the chair.

Mr. Nowlan: Mr. Chairman, in view of the atmosphere and the discussion on the speech of President Kennedy which has taken place during the last few minutes, it is rather hard for one to start dealing with the more or less mundane matters of finance once more. This should be an object lesson to a juvenile Minister of Finance who, when he spoke in the house in the past, always used an envelope for his notes. This time he was told he should prepare a text, and having prepared the text and having distributed it to the press gallery, he has now to go ahead with it. Otherwise he might sit down and call it a day.

However, in view of this discussion and the problems which are confronting us, perhaps it would be just as well for us to make a careful review of our own economic situation. Those problems may be difficult enough in peacetime, but we must also survey the future in what I hope will be a calm and dispassionate way.

Just before we moved back into the house to discuss certain matters, I was referring to the price level in this country and I would like to draw again to the committee's attention one or two factors in connection with it. We have been told that the exchange rate was going to affect the level of consumer prices very much. We have heard dire forebodings about great increases in prices, but I would like to point out that when we compare the level of consumer prices in Canada and the United States, since January 1961 the exchange value of the Canadian dollar has decreased by about 8 per cent but during that period consumer prices in the United States did not decline. They rose by 1.6 per cent and ours have only risen by 1.4 per cent; so that the decrease in the exchange value of the dollar, instead of resulting in a great increase in prices has not resulted in as great a price increase in this country as has been the situation in the United States.

Mr. Chairman, as I have said, I do not want to enter into any partisan area whatsoever tonight, but this I think should be said. It has been claimed that the measures introduced on June 24 would have an adverse effect on the level of economic activity of Canada. The facts up to date do not bear out these gloomy prognostications. Hon. members will recall that last April my predecessor forecast an increase in gross national product of 7 per cent over 1961. A review of this forecast has just been made in the light of recent developments. I can now predict, I think, as far as one can predict, with any certainty whatsoever, that the forecast will be met, if not surpassed.

Mr. Chairman, without any vainglorious boasting whatsoever, I simply say as a simple matter of fact and place it on the record from the figures which I put before the committee this afternoon and this evening, that the statements made by my colleagues and myself in recent months with respect to the economic situation of this country have been entirely justified and that we Canadians are living in the most prosperous year in Canada's history.

Having said that, Mr. Chairman, I do not want to suggest for one moment that all our problems are behind us. We continue to face a stubborn and deep-seated balance of payments problem which has been with us for many years. Indeed, since 1950 and even before we have faced this stubborn problem of balance of payments, and we are still facing it. It runs from $1 billion to $1.5 billion a year. These substantial figures are the measure of the excess of our imports of goods and services over our exports through these years. Financially the current account deficit has usually been met by large net imports of capital, and when earlier this year there was a reversal of the capital flow, the basic underlying problem came to the surface and we were faced with an exchange emergency.

There are strong reasons, Mr. Chairman, why it is of the utmost importance to this country to reduce and ultimately to eliminate the current account deficit in our balance of payments. First, there are real dangers in having to rely, as we have in years gone by, on the massive capital inflows which would be required to finance continuing large deficits in our international transactions. There was evidence last summer that such capital inflows may not always be available when needed.

Second, foreign capital import means an increase of interest and dividend payments to other countries. These payments already account for a large outflow each year. They can be covered either by an increase of our exports, a reduction of imports or further capital inflows. It would clearly be unhealthy for our economy to be getting further and further into debt abroad for the purpose of servicing old debts.

Third, large current account deficits can be harmful to the levels of production and

employment. In present circumstances, when our industries are not working at full capacity, such deficits on international account hinder the expansion of production and employment. Therefore, Mr. Chairman, it is very clear that we must work, and we must work hard, to achieve a steady reduction in this large excess of imports over exports and bring about a much better balance in our current international account.

There is no simple method of achieving this. It cannot be done overnight. We will continue to need net imports of capital for some time to come. We will always continue to welcome foreign capital and maintain a hospitable climate in Canada for foreign investors. Let me emphasize, Mr. Chairman, that the necessary basic improvement in our current account cannot be achieved by restrictive measures. Such measures as our import surcharges were essential in overcoming the immediate exchange emergency and will in large part have to be retained until there is clearly evidence of a basic improvement in our external financial position. But they cannot form part of any program for the lasting improvement of our current account position. Indeed, if they were retained too long they would defeat our purpose, for they would begin to make Canadian industry less competitive when it is clear that we must become more competitive. These are strictly temporary measures and we have already begun to relax them.

This country must adopt positive measures of a long term nature. These measures must have two basic objectives. First, they must put Canada in a position to export substantially more goods and services to other countries. Second, they must put Canada in a position to produce more of its own requirements on a fully competitive basis. Our approach to achieving more economic growth and solving the balance of payments problem is expansive, not restrictive. We believe that Canadians can compete successfully for markets at home and abroad, and we will help them in every way we can.

Last week our Prime Minister made public his letter to President Kennedy and the president's reply concerning the Prime Minister's proposal for a world trade conference of like-minded nations for the purpose of reducing trade barriers of all kinds. The discussion tonight has shoved to the background this proposal with respect to trade. But I would remind the committee of President Kennedy's enthusiastic endorsement of this proposal, which makes it clear that we have strong allies in carrying through this most constructive initiative. We intend to take full advantage of this opportunity, not only to find new and diversified outlets for our exports but also to promote stronger and more efficient industries in Canada.

When the government, last May, reduced and stabilized the value of our dollar, the double purpose was to promote economic expansion in Canada and to produce a higher level and better balance in our trade and payments. Canadian producers, competing in markets at home and abroad, now know where they stand. At the new rate, many who were on the margin before can now sell effectively, productively and profitably. The new exchange rate policy, which has been widely welcomed abroad as well as in Canada—I repeat that; it has been widely welcomed abroad—has laid a foundation for economic expansion. But on this foundation we must build. The speech from the throne spoke of the objective of more than a million additional jobs over five years. The speech also outlined a dozen or more measures to strengthen our economy and improve our balance of payments. May I remind the committee for a moment of some of the measures to which reference was made.

Trade promotion: Our program of trade fairs and trade missions is broader and more vigorous than ever and the leadership given by my colleague, the Minister of Trade and Commerce, in that field has been dynamic during this whole time. Export insurance: the house the other day passed a bill to double the funds which the government can commit to export credit insurance. Export of power: responding to changing circumstances, the government will now encourage long term contracts for the export of surplus power. Exports of oil and gas: under the national oil policy and in other ways the national energy board will continue to promote these exports. Application of science to industrial production: Canadian industry will be given additional incentives under one of the resolutions which I am reintroducing today. Productivity: the productivity council will continue and intensify its contribution to the competitive position of Canadian industry in markets at home and abroad. Technical and vocational training: this important program is growing even more rapidly than we anticipated, and when I refer in a moment or two to the financial picture which confronts us toward the end of this year the committee will fully understand what I have in mind.

Government administration: the revised estimates include many immediate government economies. The Glassco commission is making important proposals for improvement over the whole range of government administration. Agricultural development and rehabilitation: the agricultural rehabilitation and development program, ARDA, will be

pressed forward. Then there are the wheat exports. Transportation: we propose to bring into this house legislation which will be implementing substantially the recommendations of the royal commission on transportation. This is one of the problems which has confronted this nation since confederation and which we believe the royal commission in its report has gone a long way toward solving. The taxation structure of this country has been built up—I will not say like Topsy, but on a basis which is not entirely logical. We have appointed a commission to deal with this problem but at the same time we have not limited the government taking such action in this field as it sees fit in dealing with the taxation structure of this country.

Perhaps the most important development of all is the national economic development board. The problems to be solved in the years ahead, if we are to create more than a million more jobs by 1967, are formidable. Moreover, we are not planning to put people to work digging post holes and filling them up again; the new jobs must be productive and competitive by international standards. Many of these jobs must be in the export industries; many others must be in industries replacing imports on a competitive basis. This is the road to a lasting solution of our present balance of payments problems. This is the road to diminished dependence on capital imports. As Minister of Finance with a special responsibility for the economic health of this land, I intend to take a close, continuing and active interest in this new body. In stimulating and guiding our economic development along productive, competitive lines, the new board will have three interrelated tasks.

First, it will provide a broad new bridge between government, on the one hand and, on the other, those who are thinking and planning the future of industry, labour, agriculture, and the other important economic groups in our community. It is an essential aspect of national interest to encourage and expand constructive thinking and planning about national economic development by leaders in business, in agriculture, in trade unions and in other major economic groups throughout the country. In a country such as Canada in which free enterprise is a major factor, business policies and trade union policies are as important, indeed, often more important and influential than government policies. Government policies are, of course, important but they are not necessarily dominant. The economic policies and attitudes of businessmen, of labour leaders, of farm organizations, will often have the greater effect on national economic growth. If government and non-government leaders pool their ideas, if each gets to know and really understand the views of the others, and if, consequentially, the varied policies are effectively coordinated, we shall greatly improve the pattern, the quality and the rate of our economic growth.

[Mr. Nowlan.]

The second task of the new board will be to supplement, develop, and expand our government machinery for economic analysis, particularly where that analysis throws light on our economic possibilities. For this purpose we want to make use of the best economic thinking that is available. I do not want to suggest that members of the government, or officials working for them, have not been concerned in the past with the probable course of economic developments. Far from it. But we are convinced that our thinking and planning can be improved if there is, in one centre, a group of trained people whose full time job it is to think forward and, may I say, to use a somewhat slang expression, to think big.

The third task of the new board, and by no means the least important, will be, in the words of the speech from the throne, to recommend to the government: "particular projects or measures which it considers would be in the interest of national development, including projects which may require direct governmental participation by way of financial aid or otherwise." I lay particular stress on the projects requiring governmental aid or participation. The government, like everyone else, has limited resources. Government spending, and other forms of government aid, can be economic or uneconomic, can be productive or counter-productive. Unwise government spending simply adds to the burden of government debt and to the deadweight of taxation on imagination and enterprise. But, as the history of our country has shown, government expenditures of a productive character march together with and complement private economic expansion and initiative. Public enterprise and private enterprise can be partners if they work together for a single expansive purpose. I am sure that the study which this board may give to projects which come before it will result in co-operation of that kind.

Having covered generally some of the economic problems with which we are confronted today and with which we are likely to be confronted tomorrow, may I conclude by turning briefly to the situation concerning government accounts. This, of course, is of interest to the committee in view of the discussion we had this afternoon and which is likely to continue for the next day or so.

Last April my predecessor estimated that our budgetary expenditures in the current year would be $6,525 million. Since then, as indicated in the revised main estimates which I tabled last Thursday, we have arranged to reduce our requested appropriations for controllable expenditures by $228 million. On the other hand, there have been, or are likely to be, certain considerable increases in several of the statutory or contractual classes of expenditures. For example, the rapid and encouraging speed-up in provincial expenditures on vocational and technical training schools seems likely to increase our contributions to these projects by close to $100 million. The rising rates of provincial expenditures on hospital and other welfare services in respect of which we share about one half of the cost are likely to add some $30 million to $35 million to our outlays. The other evening, in another debate, someone charged the government with reducing its expenditure on the social services as a result of its alleged austerity program. When hon. members consider those two figures to which I have just referred, I think they will realize that criticism can be withdrawn.

Interest rates on our public borrowings moved up very sharply in May and June, and while they have moved down again quite substantially in recent weeks, they are still above the prevailing rates of last April. Moreover, in order to finance our improved exchange reserve position we have had to increase our total outstanding gross public debt. As a result of these factors the total interest payable on our public debt this year is likely to be about $40 million greater than seemed probable six months ago.

In other words, there is likely to be an increase of about $175 million in our statutory or contractual expenditures. Furthermore, it now seems probable that the year-end lapsings in the various departmental appropriations will be rather less than we expected last April. Consequently, the decrease in actual expenditures of a controllable nature is likely to be about $200 million. This means our present estimate is that our total budgetary expenditures in the current fiscal year will be approximately $6,500 million. On the revenue side our largest increases will, of course, be coming from the temporary emergency import surcharges, and these will add about $130 million to our collections under the customs tariff. Current trends indicate that our receipts from other sources of revenue will be up by about $20 million. In other words, our total budgetary revenues for 1962-63 are now estimated to be about $5,930 million, or $150 million higher than our April forecast.

By consent, I should like to insert at this point in *Hansard* a table comparing the April estimate and our current revised estimate of our 1962-63 revenues.

Do I have the consent of the committee?

Some hon. Members: Agreed.

[*Editor's Note: The table referred to is as follows:*]

Revenues 1962-63

	Estimate (in millions of dollars)	
	In April, 1962	In October, 1962
Personal income tax ..	$1,784	$1,750
Corporation income tax	1,168	1,180
Non-resident tax	120	125
Estate tax	90	90
Customs duties	550	680
Sales tax	813	825
All other taxes	630	640
Total taxes	5,155	5,290
Non-tax revenues	625	640
Total revenues	$5,780	$5,930

Mr. Nowlan: With expected revenues of $5,930 million and expenditures of $6,500 million, my present estimate of the budgetary deficit for the current year is $570 million, or $175 million less than the $745 million forecast presented to the previous parliament, and some $220 million less than the actual deficit for 1961-62.

Excluding any inflows or outflows from the exchange reserve fund, which are quite unpredictable, our cash requirements for the current year will be considerably less than we estimated last April. Crown corporations such as central mortgage and housing, export credits and farm credits are likely to require about $125 million less cash advances than seemed probable six months ago, and—this will be of interest, Mr. Chairman—the prospects are that the unemployment insurance fund will need $40 million less than our earlier forecast. The reduction of $175 million in our estimated budgetary deficit will further reduce our cash requirements.

Our net cash requirements for the remainder of this fiscal year, again excluding the exchange fund, will be about $500 million. I hope, indeed I confidently expect, that we will get at least this amount from our net sales of Canada savings bonds, which are at the moment selling at a higher record than even before; although, of course, the period has not been long enough to work out a considered judgment with respect to that matter. We will, of course, have to put out very large refunding

issues, since we have maturing market issues from now up to and including April 1 amounting to $1,165 million. This figure includes a government guaranteed C.N.R. issue of $250 million, but does not include $445 million of option bonds which holders are entitled to encash on April 1, 1963, but which they may and are likely to extend to April 1, 1976.

I am assuming now, Mr. Chairman, that the committee does not wish me to go ahead with the details of any specific resolution, the income tax resolution, which you, Mr. Chairman, or your predecessor in the chair, called earlier this afternoon. Therefore, at this time I will not attempt to give any detailed summary of that resolution or the others which are before us. All I can say is that we of the government believe that that resolution and the other resolutions which are included in the ones which we will be bringing before you will contribute substantially to the economic development of this country; that it is necessary that they be implemented at as early a date as possible, having been subjected to careful and full debate and consideration in the committee and the house, so that before the end of the year they can be brought into statutory form and the Department of National Revenue will be able to administer them accordingly. I will, of course, be very glad indeed, when the specific resolutions are before the house to give such explanations of them as may be necessary and to answer such questions and give such details as may be required; but at the moment I would think that this would be my general submission which I should like to make at this time to the committee.

Mr. Gordon: Mr. Chairman, I should like to begin by congratulating the minister on his delivery of a unique speech—a budget speech without a budget. Perhaps a magician or an old vaudeville hand might be able to get away with a trick of this kind at least at a children's party; but I think if I may say so, that some of us have been a little disappointed in what we have just listened to. Anyway it was short; but I am afraid I shall have to ask the indulgence of this committee in being a little longer, so as to fill in some of the gaps and some of the things the minister has left unsaid.

I was rather disappointed when the minister said that normally he was accustomed to speaking from notes on the back of an envelope. Expecting as we did a more full and complete review of the economic and financial problems which are facing this country at this time, and getting very little of that, may we suggest that in future the minister revert to his usual practice. As the minister must know, his remarks about the state of the economy were anything but complete. I can think only that this is so because of his embarrassment in presenting a budget without a budget speech.

I do not propose to discuss in any great detail the constitutional question involved in the government's failure to present a budget, but I hope that others may do this in the course of this debate. I do wish to point out, however, at the very beginning of my remarks, that any discussion of our country's economic ills and of the kind of action that is needed to cure them is made much more difficult by the absence of a genuine budget. Perhaps that is one of the reasons or one of the possible explanations for the minister's unwillingness to present one. One can assume only that the government does not want a full discussion of our economic ills because it has no effective action to offer for dealing with them.

An hon. Member: He did what you suggested.

Mr. Gordon: You had better wait until I am finished. The speech from the throne on September 27 stated this:

> New budget measures will be introduced to provide further solutions to long term problems.

Three weeks later we are told that there is not going to be a budget for this year.

Mr. Fleming (Eglinton): Who said so?

Mr. Gordon: Well, the minister stated the other day that he thought anybody with any intelligence would be able to figure it out for himself. Mr. Chairman, this failure to present a budget can mean only one of two things: either that the government was completely cynical when the words I have quoted were included in the speech from the throne to be read by the Queen's representative in Canada; or the government is now afraid to produce a budget for the coming year. In either case it is quite clear that this government cannot be trusted.

Quite apart from the government's decision not to present a budget, the minister has failed to identify our long term problems and to say what remedies will be proposed to deal with them. It is quite true that in the course of his speech the minister read off a list of various proposals, but these various suggestions are not enough. They do not add up to a comprehensive program which will put this country in high gear again. This house spent last week in dealing with the Export Credits Insurance Act and the Farm Credit Act, and it is now expected to deal with certain resolutions held over from the budget presented to, but not adopted by, the last parliament. I do not say that any of these measures are not important, but no one would suggest that they are the main parts of the

kind of positive and all-embracing program needed to get Canada on her feet again.

It will not have gone unnoticed that the minister said practically nothing—I repeat practically nothing—on the subject of interest rates or credit, or on monetary policy. I find this most surprising in view of the vital importance of these matters and of their concern to all members of this house. It is true that in his speech to this house on October 9 the minister stated, as reported on page 336 of *Hansard*:

> I do want to say right now that I deny categorically and absolutely that there is any policy of tight money in this country.

While I was astonished to hear the minister say this, I presumed that it was merely an example of his exuberance in his first speech as Minister of Finance; or perhaps he really thinks that money is not tight, incredible though that may seem. If so, I would suggest to the minister that he should consult with any of the small businessmen of this country or for that matter any of the larger ones, and they will tell him that if tight money means they cannot get bank credit at reasonable rates of interest for legitimate business purposes, then in Canada these days we have tight money with a vengeance. I expect that representatives of the chartered banks will confirm this if the minister cares to ask them. In the same speech, on pages 335 and 336 of *Hansard*, the minister stated:

> As a matter of fact, I suppose I might say—I hope I will not be misunderstood in saying this as Minister of Finance—that if any of us can find any three people in any place in the country who agree on monetary theory, then we are accomplishing a miracle.

This is an amazing thing for any minister of finance to say, Mr. Chairman, especially one who follows in the footsteps of the present Minister of Justice, who referred to me before the dinner break. We know that in the past five years the previous minister of finance demonstrated on every possible occasion that he had no conception of monetary theory or of monetary policy. Surely we are not going to go through all that again.

An hon. Member: Like your book, tell us about your book.

The Chairman: Order. I have been led to believe that the Minister of Finance received a very fair and reasonably uninterrupted hearing, and I think the financial critic of the opposition party should receive the same courtesy.

Mr. Gordon: Thank you, Mr. Chairman. I was just about to say that I was intrigued by the minister's reference to three people. I had not believed the rumours that the finance department was to be governed by a troika consisting of the minister, who was to be the front man, the previous or ex-minister, who was to make the offstage and offshore noises, and the Minister without Portfolio, who was to make the decisions and set the policies. The Minister without Portfolio is sometimes to be seen peering down upon us from the galleries. Today, Mr. Chairman, we have heard from the minister, we have heard from the ex-minister, and I think we are all sorry that we have not an opportunity in this house to hear from the third minister, the Minister without Portfolio. I can only add that I am sure the Secretary of State for External Affairs will agree that the troika principle would negate the usefulness of the United Nations and the same thing, I suggest, would be true of the Department of Finance.

I should like to say something now, Mr. Chairman, about Canada's basic problems in the economic field, all of which are interrelated.

Mr. Woolliams: What chapter is this?

Mr. Gordon: Mr. Chairman, I suppose I should thank hon. members opposite for giving such a plug to certain publications I have written. My publisher told me at the end of last week that he would have to bring out another edition. I told the Minister of Labour that I was grateful to him for his contribution and if he had a claim to any of the royalties I should like to hear from him.

Mr. Nowlan: It will be a revised one, I hope.

Mr. Gordon: Our basic economic problems can be discussed appropriately under four main headings, the rate of economic growth, the rate of investment, both public and private, our balance of payments, and the levels of employment.

First, let me speak about the rate of growth. The rate of production in Canada, after adjustments for changes in the price level, increased on the average by less than 2 per cent per annum during the years 1957 to 1961 inclusive. This rate was much too low. The population of Canada increased during that period, and when this is taken into account we find that the average output per capita actually declined in that period. This, I suggest, is a sorry record compared with what has been happening in other countries.

The other night on television the Prime Minister used some strange figures about our economic growth that bore no relation to the facts. I hope that the next time the Prime Minister or any of his colleagues plan to use the forecasts of the royal commission with which I was connected they will get

some competent advice on the differences between an increase in real production and figures which reflect rising prices. Otherwise such comparisons are about as accurate—

Mr. Starr: As your book.

Mr. Gordon: —as comparing apples and bananas. In this present year 1962 we have been in the upward phase of the business cycle and there has been some improvement in conditions. I think we all rejoice in that.

Mr. Starr: Why don't you smile?

Mr. Gordon: But there are three hard facts that the minister did not mention and which I suggest should not be lost sight of. First, even in this relatively good year unemployment is averaging nearly 6 per cent on a seasonally adjusted basis. Second, even this year's recovery is barely raising the level of real production and real income of each Canadian back to the levels reached in 1956. Third, most economists believe that the current business upswing is very near its peak. The year 1962 has been a relatively good one but 1963 will be another slow year.

Mr. Starr: Doom and gloom again.

Mr. Gordon: We must expect a downturn in our economy with rising unemployment this winter unless the government takes the right action to offset it. I might say in passing that there is no sign of that necessary vigorous action from this government so far.

Mr. Hellyer: They do not know how.

Mr. Gordon: My second point was the question of investment. Total investment in Canada more than doubled in the years 1947 to 1957 and prosperity during that period was high. In contrast, from 1957 to 1961 total investment, which includes government investment, declined by 13 per cent. Private investment declined by 19 per cent. Investment expenditures are the immediate cause of economic expansion and they also contribute greatly to increased personal expenditures. The decline in investment since 1957 has been a major source of weakness. It is the main cause of our stagnation and lack of growth. It follows from this that if we want to eliminate stagnation and to reinvigorate our economy the most immediate objective of economic policy should be to increase investment expenditures in Canada, public as well as private. I do wish to emphasize the importance of this.

My third point was our balance of payments, and I agree with much of what the minister had to say on this subject. We have had an adverse—

Mr. Fleming (Eglinton): That is gracious of you.

[Mr. Gordon.]

Mr. Gordon: I did not always agree with the previous minister in what he had to say on this subject.

We have had an adverse balance of payments with other countries every year since 1952. In current dollars, this has averaged the sum of $735 million per annum in the first four years, 1953 to 1956, but in the next four years, 1957 to 1960, the average imbalance went up to $1,335 million a year.

Mr. Pugh: Have you the figures for 1956?

Mr. Gordon: Yes, I have. I was also going to give you the figure for 1961 to show that it was reduced in that year to just below a billion dollars. It was hoped that it would be lower again this year, but with the rise in volume of imports despite tariff surcharges, this hope may not be realized.

Now, those are the bare statistics, Mr. Chairman. What exactly do they mean? They mean that in the last five years our obligations for the goods and services we have bought from foreigners have exceeded their obligations for goods and services they have bought from us by the staggering sum of $6.25 billion. We have paid for this by selling off our natural resources and our Canadian owned companies and by going into debt to foreigners. Now, it is true that some professional economists do not think it matters who owns or controls Canadian resources and Canadian companies or who has the final say in the affairs of some Canadian trade unions. I do not agree with this. To me, this non-resident control of our resources, this absentee ownership, has been increasing for far too long.

An hon. Member: Since 1947.

Mr. Gordon: However, it has been increasing especially quickly during the past five years.

An hon. Member: What are you going to do about it?

Mr. Gordon: If I am given a little time, I will be telling hon. gentlemen what this party will do about it. The foreign deficits that by 1956 were beginning to trouble Canada have since that time become bigger, and they have become chronic. These are the facts. Now, we know we have gained a great deal from the many new developments that would not have been possible without foreign capital, foreign know-how and assured markets for the materials that were produced by these new ventures. But we know also that when 60 per cent, and by now it may be two thirds, of the manufacturing industries of any country are controlled by non-residents, that country is facing trouble.

Now, I should like to give one example of the kind of trouble to which I refer. We have to expand our exports, including exports of manufactured goods. But our secondary manufacturers are not likely to be interested in doing this if it means competing in export markets with their foreign parent companies. This is one reason why it is so difficult for us to bring our international accounts into some kind of balance. The degree of absentee ownership that now exists is one of our country's basic problems. We should take steps without delay to reverse the present trends.

In saying this, I should like to add a word of caution. We should not take unfair or extreme action against people who, in good faith, have invested their money and their resources here. By doing so, they have helped us to develop our country faster than otherwise would have been possible. What we must do is reverse this present trend, but gradually and over a period of years. But we simply must get started.

Now, my fourth point under which I wish to discuss the economic trends and conditions with which we are trying to deal, is unemployment. Unemployment in Canada has averaged 6.8 per cent for the last four years. This was very much higher than it was at any time in the previous 12 years.

Mr. Churchill: Are these d.b.s. figures?

Mr. Starr: Are these actual figures?

Mr. Pearson: You do not like to hear them.

Mr. Starr: They are not actual figures.

The Chairman: Order; if any hon. member wishes to ask the hon. member for Davenport a question he could ask him to yield the floor and the hon. member will deal with it.

Mr. Starr: I wonder if the hon. member will permit a question? The last figure he quoted on unemployment, that average, is that actual unemployment figures issued by the d.b.s.?

Mr. Gordon: Yes, Mr. Chairman.

Mr. Starr: They are not.

Mr. Gordon: I am glad the Minister of Labour asked me that question because I wanted to refer to a recent study prepared by the United States government concerning rates of unemployment in various industrialized countries in 1960. It showed that the rate in Canada in 1960 was the highest of all industrialized countries in the western world. I would remind him that our rate was even higher in 1961. In referring to that study the other day in this house the Minister of Labour said that such comparisons between different countries were not accurate because the statistics were compiled in different countries in different ways. I happened to notice, Mr. Chairman, that the authors of the study said they had made an adjustment to eliminate such differences. I draw this to the attention of the minister.

All hon. members in this house will rejoice that this year unemployment has been running at a somewhat lower rate. In September, the number of unemployed was 48,000 people less than in the same month last year. It would be wonderful if there were any justification for hoping that the improving trend would be continued. Unfortunately and unhappily, this is not the case.

Some hon. Members: Gloom.

Mr. Gordon: I have said on other occasions before I was elected to this house that these high rates of unemployment in Canada are a national disgrace. Translated into human terms, they mean misery, frustration and unhappiness for hundreds of thousands of men and women and the members of their families. They mean degradation and sometimes ruin for young people who cannot find work. They mean a sense of hopelessness for people over 40—and I happen to be one of them—who cannot get jobs in industry and are made to feel useless and unwanted.

High levels of unemployment are the result of low rates of economic growth in the last few years. We could have had higher rates of economic growth. We could have had higher rates of investment. We could have brought our transactions with other countries more nearly into balance. We did not do so because the government in power in Canada during the last five years was incompetent, and because of the incredibly wrong monetary, fiscal and exchange policies that that government pursued.

Mr. O'Hurley: You don't believe that.

Mr. Pearson: The people believe it and they showed it.

Mr. Gordon: It is clear from the recent legislation we have been asked to deal with, including the leftover budget resolutions that are before us, and the speech that the Minister of Finance made tonight, that the government has no comprehensive program for dealing with our country's long term problems.

In these circumstances I should like to review in some detail the kind of program that was proposed by the Leader of the Opposition on October 1. This is the kind of expansionist program that should be introduced without delay. It is the kind of positive program that would restore prosperity to Canada and result in the creation of hundreds of thousands of the jobs we need so badly.

The object of this program is to increase total investment in Canada, both public and

private. In this way economic growth would be increased and full employment would be restored. These objectives can be achieved by conditions of easy money, adequate credit and credit facilities, and by fiscal incentives and careful planning. In the process the budget would be balanced out of rising incomes and there would be full employment.

(1) The first essential of this program is an easy money policy. By this I mean much freer credit and lower interest rates instead of the tight money policy that is an integral part of the government's austerity program.

Monetary policy, as we understand it in Canada, began with the creation of the Bank of Canada in 1935. From then until the middle of 1957 the bank's interest rate varied between 1.5 per cent and 4 per cent. It averaged almost exactly 2 per cent over that whole period. Now, as we approach this coming winter, with the prospect of increasing unemployment, the bank rate is 5 per cent, and the minister sounded as though he were rather pleased with that.

The Bank of Canada rate is not in itself the full measure of interest rates, but it is the indicator of the impact of government policy upon the money supply and the cost of credit, and the figures are plain. This is a tight money government, a high interest rate government.

Mr. Fleming (Eglinton): Rubbish.

Mr. Gordon: Despite the minister's protestations to the contrary and his associate minister's continued interruptions.

There must be some spread between interest rates in Canada and those in the United States; otherwise there would be a flight of capital from here but the spread in the rates prevailing in our two countries should be kept as low as possible and this does not seem to be the present policy.

Because of the importance I attach to this question of monetary policy I devoted most of my first speech as a new member to that subject. I shall not repeat what I said on October 4, but I do wish to emphasize that an easy money policy is of cardinal importance in the program I am putting forward. This being so, Mr. Chairman, there should be no possible misunderstanding respecting the government's responsibility for monetary policy.

Prior to the Coyne affair in June and July, 1961, when the present Minister of Justice lost his spurs—

Mr. Fleming (Eglinton): They were left in the flanks of the Liberals.

Mr. Pearson: Only a heel has spurs.

[Mr. Gordon.]

Mr. Gordon: —and in the process his reputation—and if he provokes me I shall be tempted to bring up the name of Mitchell Sharp and what may happen to the minister one of these days.

Mr. Fleming (Eglinton): Oh, how dreadful. Oh, dear, dear. If the hon. member has anything to say let him say it.

An hon. Member: Watch your blood pressure.

Mr. Pearson: Keep cool.

Mr. Gordon: Mr. Chairman, I am a mild man—

Mr. Hees: And for a very good reason.

Mr. Gordon: —but as I was saying, prior to that time the previous minister of finance used to protest long and vehemently, as was and still is his custom, that the government had no responsibility for monetary policy. When Mr. Rasminsky succeeded Mr. Coyne as the governor of the Bank of Canada he, and I am speaking of Mr. Rasminsky, issued a cautiously worded statement which in effect contradicted the position that the minister and the Prime Minister had previously taken in this parliament.

Mr. Martin (Essex East): So did every other governor.

Mr. Gordon: I do not wish to quibble about the language that was used in the statements issued by the governor and the minister, obviously it was intended to let the minister down as easily as possible. I do wish to emphasize however that in the kind of program I am proposing the government must assume full responsibility for monetary policy. The carrying out of that policy is the duty of the Bank of Canada. But the responsibility is the government's and there can be no room for misunderstanding about that.

(2) The second point in this program is that in order to increase investment in the public sector of the economy the government should embark on a really extensive program of loans and grants to municipalities. They should apply to streets and sewers, bridges and sidewalks, schools and public transit services, and assist with the clearing of slums and building public housing projects. These kinds of projects should be looked upon as investments to be paid for over a period of years. Building them would improve our cities, towns and villages and in the process it would provide hundreds of thousands of new jobs.

The government's intention to cut down expenditures on public works as part of its austerity program is the wrong thing to do in

present circumstances. It will slow activity in the construction industry and thus add to the unemployment problem this coming winter.

(3) As the third point in the program, it is clear that we cannot go on paying more to foreigners each year for goods and services than we receive from them for the things we sell to them. To do this would lead only to another exchange crisis and it would mean the continuance of the present problem of finding jobs for people who are unemployed. The right policy for Canada in these circumstances is to increase production in this country, wherever this can be done without increasing costs.

In discussing this question in parliament during the throne speech, the Leader of the Opposition mentioned the example of the automobile industry. As he pointed out, in 1961 we imported more than $300 million worth of automobile parts, which is the equivalent of somewhere between 40,000 and 50,000 jobs. As he also pointed out, certain countries in Europe have flourishing automobile industries although their domestic markets are no bigger than our own. They produce their own cars. Our automobile industry could do the same. This might involve some degree of standardization among the automobile companies of certain parts, including automatic transmissions. It might involve the implementation of some aspects of the report of the Bladen royal commission. Undoubtedly it would require full discussion with representatives of all sections of the industry. But if the importance of the action required was made clear, I am sure a satisfactory way of doing it would be found. Other examples could be mentioned of industries where we shall have to achieve a greater volume of Canadian output if our international accounts are to be balanced.

Mr. Chairman, we must strive for a greater production of Canadian oil. In 1961, last year, our imports of crude oil and petroleum products exceeded our exports by some $137 million and if natural gas is included in the calculations, and I do not believe it should, our adverse balance still exceeded $100 million.

Steps should be taken to bring our imports and exports of oil and petroleum products into balance. I know that some progress has been made in this direction, but a great deal more should be done, and it should be done quickly. Either we should increase our exports very considerably or we should take another serious, hard look at the case for an all-Canadian oil pipe line from Alberta to Ontario and Quebec. This would be a dynamic way to encourage the oil industry in Alberta and Saskatchewan and it would also stimulate the construction industry and provide more jobs.

When water was the principal source of energy in Canada there were good arguments for prohibiting the export of hydroelectric power; but with the advent of other energy sources, including oil, natural gas and nuclear energy, this policy ceased to have validity. If we are prepared to export oil, natural gas and coal, then why not hydroelectric power, provided the long term interests and potential interests of Canadian consumers are protected? This issue was raised at the beginning of 1957 by the royal commission with which I had some connection. Being a new idea, it received a critical reception, especially from some of the hon. gentlemen opposite. But the Liberal party soon began to suggest that under appropriate conditions, and subject to the approval of the national energy board—which I seem to remember was recommended by the same royal commission—it would be reasonable to permit the export of hydroelectric power from Canada.

This course was bitterly opposed by the Conservative party, and especially by certain prominent cabinet ministers from British Columbia. But according to the speech from the throne, the government is now prepared to approve the export of hydroelectric power under certain conditions, and I for one am pleased that they have seen the light, even if the motive for doing so may be open to some question.

(4) Mr. Chairman, I have given three examples—and there are many others, such as chemicals and petrochemicals—of how particular Canadian industries could be expanded and more jobs created. In doing this we must make sure that Canadians participate in the development of the industries in question. Ideally, these developments should be sponsored and financed by private interests, but if there proves to be an insufficiency of private capital for such purposes, then public capital should be made available.

Now, Mr. Chairman, I am not one of those who wishes to see the state compete with private industry. Our kind of economy works best in circumstances where responsibility for economic decision making is decentralized and in so far as possible is kept in private hands. However, it has been necessary in the past to invest some public capital in large undertakings and developments when sufficient private capital was not available. I think we should be perfectly willing to do the same thing again when it is necessary to get industrial developments going.

In order to achieve some of these objectives a separate department of the government should be established to deal with the problems of the secondary manufacturing

industries. We have separate departments for agriculture, fisheries, mining and forestry, and they are all needed. The secondary manufacturing industries, that employ about one out of every five members of the work force, need similar attention.

(5) Now for my fifth point, Mr. Chairman. There is too much absentee control of Canada's resources and Canadian corporations, as I said a few minutes ago; we must stop selling out to foreigners, even if they include some of our best friends and neighbours. The present trend must be reversed if we ourselves wish to control the economic destiny of Canada. With this as the objective it will be necessary to make a number of changes in our tax laws to discourage Canadians from selling Canadian resources and Canadian owned companies to foreigners, and at the same time to encourage foreigners and foreign corporations to sell their assets here back to Canadians.

As a first step it will be desirable to encourage such foreigners to take in Canadians as partners. But the ultimate objective must be to buy back Canadian resources and Canadian companies to the maximum possible extent. This is not a task that can be completed easily or quickly. We must first agree upon objectives and then work towards them gradually, but steadily, over a period of years. But we must get started.

(6) Now the sixth point, Mr. Chairman. A regional approach is needed in dealing with our country's economic difficulties. We cannot hope to have a unified and vital nation if there are wide discrepancies in the degree of prosperity and levels of employment in different sections of the country. The Liberal program includes positive policies for lessening such inequalities by promoting economic development in the areas that are least prosperous at present. The principle is well established of providing incentives for new mining ventures in the form of tax abatements on profits for the first three years of operations. The same principle should be applied in offering inducements to business enterprises to establish new plants and other establishments in surplus labour areas.

(7) The Liberal party is in favour of expanding Canada's export trade in every possible way. Tax incentives should be offered for increasing exports. We are against a restrictionist trade policy and higher tariffs. We disagree with the tariff surcharges, that is, the across-the-board increase in tariffs, which is part of the government's austerity program. Raising tariffs will invite retaliation and this is already threatened in the case of United States imports of Canadian softwoods.

We believe that for the past two years Canada should have been working actively with the European common market. We do not wish to see the economy of Britain grow stagnant and decline as it may well do if she remains aloof from Europe. If this happens, we cannot hope that Canada's exports to Britain will increase. On the other hand, there are good prospects for increased Canadian exports to a prosperous and expanding European market which will include a growing and dynamic Britain.

(8) If we are to prosper in the future, it will be imperative for management and labour to work together more harmoniously than they have done in the past. The recent reports of the national productivity council's special mission to Europe points out that such co-operation has worked to everyone's advantage in some European countries. It recommends that a serious attempt be made to achieve a similar result in Canada. This should be a prime objective of the government. My friend, the hon. member for Essex East, made an excellent speech on this subject just the other day. I hope we shall have the benefit of his views in the course of this debate.

Mr. Fleming (Eglinton): How soon?

Mr. Hees: That is one we can count on.

An hon. Member: Old faithful.

Mr. Gordon: I seem to have struck a receptive note, Mr. Chairman.

(9) As part of this program to put Canada in high gear—and I wish my hon. friend from Assiniboia was here this evening—we must make sure that our farm families have the opportunity to share fully in the national prosperity. That does not mean a lot of subsidies and handouts. It means aid to farmers to improve their production, processing and marketing. Such aid is needed not only on the individual farm but also by co-operatives and marketing boards.

An hon. Member: How would you know.

Mr. Gordon: I happen to be a farmer.

Mr. Hees: Wait till they hear it on Bay street.

An hon. Member: Do you use a pitchfork?

Mr. Gordon: If any of the hon. gentlemen opposite would like to come to Schomberg, Ontario, at any time, I will substantiate just what I have said. This aid involves programs for land use, farm credit and also long term credit for co-operatives; it means crop insurance, water conservation and the like—constructive measures for farm investment.

I believe that with the program I have outlined, with the kind of people who will

be needed to apply it, and with a restoration of public confidence we can resolve our basic long term problems. We can do something about the men and women who are unemployed and who want jobs so badly. We can increase the level of investment in Canada. We can bring our international transactions into line. And, with full employment, the domestic budget can be balanced once again.

If I did not believe these things, I would not have stood for parliament.

Having accomplished these primary objectives, we must go on to other things. We must improve the standards and quality of education at all levels, including technical training. We must see that all gifted students have a chance to go to university. We must do a better job in providing for our older citizens, including special housing as well as more adequate pensions. We must have a national program of health care, one that will work. And, above all, we must recapture the spirit that in the past has made us proud to be Canadians.

I do not believe these objectives can be achieved by the present Conservative government—a government that has lost the confidence of the people; a government without a program. We need a government which is not afraid of taking positive action; a government which knows what it would do. To get that kind of government, we shall have to have a new election. It cannot come too soon.

I should like to revert to what I said at the beginning of my speech about the government's refusal to present this new parliament with a proper budget for the current fiscal year. Let us consider what has happened since the previous minister of finance presented his budget on April 10, 1962.

1. The parliament of that day was not given an opportunity to debate that budget. Instead, it was dissolved on April 18 and an election called.

2. The Canadian dollar has been devalued and a fixed rate established.

In speaking of the use of the exchange fund in his budget speech on April 10, the minister of finance of that day said, as will be found on page 2697 of *Hansard:*

> The government has not hesitated and will not hesitate in the future, to deploy a substantial volume of funds on one side of the market or the other in order to prevent sudden or erratic movement in our exchange rate.

A little later on in a discussion of Canada's relations with the international monetary fund, the minister went on to say—and I quote from pages 2697 and 2698 of *Hansard:*

> Against such a background of general co-operation, Mr. Speaker, the house will understand why the fund, while naturally and properly retaining the ultimate objective of having Canada declare a fixed exchange rate, has not been disposed to press us into any hasty action which might prove to be premature and impossible to sustain.
>
> We on our side wish the prospects of success to be more assured than they were when the Canadian government made its ill-starred attempts to maintain fixed rates during the years from 1946 to 1950.

Only three weeks later on May 2, the same minister informed the Canadian public that the Canadian dollar had been devalued to 92½ cents and the floating rate of exchange abandoned.

Mr. Fleming (Eglinton): Are you against it?

Mr. Pearson: Just three weeks later.

Mr. Gordon: He and the Prime Minister then told us that this move had been planned all along. They seemed surprised when nobody believed them.

But to return to my list of some of the things that have happened since the April budget was presented:

3. Since April 10 there has been an election in which the present government got only 37 per cent of the popular vote and a minority of the seats.

4. There has been an exchange crisis of very serious proportions.

5. The government has introduced an austerity program that includes the raising of tax revenues in the form of tariff surcharges which have not been approved by parliament and which, apparently, parliament is not going to be asked to approve.

6. The government has completely changed the monetary policy it was pursuing prior to the election. Since June 25 credit has been drastically restricted and interest rates increased.

7. The government has been accused of fraud in deceiving the public about the exchange crisis and the state of the economy—

Some hon. Members: By whom?

Mr. Gordon: —and so far at least the government's defences against these charges have been anything but convincing.

8. Important changes have been made in the expenditures that are proposed in the current fiscal year. These changes cannot be discussed intelligently except in the perspective of a complete budget for the year.

9. The Prime Minister did not call the newly-elected parliament together as soon as possible after the election. Instead, he went off to London to represent Canada at the commonwealth prime ministers' conference, and there to express views with which a majority of Canadians do not agree.

10. The government's popularity in the country has fallen sharply since the election on June 18, according to recent public opinion polls.

11. And finally, since parliament met September 27 it has been clearly demonstrated that this government's life hangs by a thread—if the temporary support it has received so far can be described in such a way.

Mr. Churchill: You voted for us on the first vote.

Mr. Gordon: Despite all these things the government and the Minister of Finance are now saying to this new house of Commons: "Get busy and pass the estimates for the year. Get busy and pass these old tax resolutions". The government seems to be saying, in effect, that this house includes a lot of new members, about 100 I believe, who should have never been elected. The government says in effect: "Keep quiet and do not ask questions about our financial affairs. We don't think you new members know what it is all about". The government says in effect: "Get busy and give us a blank cheque to run the country as we like". The government says in effect: "We won't give you a budget for the current year; what are you going to do about it?"

Under our parliamentary system, governments render a financial accounting once a year in the form of a budget. This includes the proposed expenditures, the estimated tax and other revenues, the amount of the estimated surplus or deficit for the year, the proposed tax changes, and the government's plans with respect to borrowing. It should also include a statement of the government's monetary and exchange policies. If parliament approves the budget statement that is presented to it and the changes in taxation which are proposed, it will support the government. If parliament does not approve the budget, the issue has to go to the people. This is the essence of our system. But if parliament is denied the right to examine a proper budget for the year, it might as well go home. Mr. Speaker that, in effect, seems to be what the government is saying to the hon. members of this committee, and I for one do not like it.

Mr. Chairman, may I call it ten o'clock?

Some hon. Members: No.

Mr. Hees: Keep going.

An hon. Member: Read the last sentence again.

Mr. Gordon: I will change the last sentence, Mr. Chairman, and say that neither I nor, I suspect, the majority of this house like it.

Now let us get the situation clear. In April the government presented a budget. It was a pretty free-spending budget with a large deficit. But the government would not allow the old parliament, the parliament that it dominated with so huge a majority, to debate the budget. Instead, it dissolved that parliament and put its case to the people. It tried to tell the voters that the state of the country was fine and that the budget was just right for it. Indeed if there was anything wrong it was that the government was not yet spending all it intended to. I say this because after the April budget ministers went across the country promising the addition of a causeway in the east, another trans-Canada highway in the west, and so on.

May I call it ten o'clock?

Some hon. Members: No.

The Deputy Chairman: Order. It being ten o'clock shall I rise, report progress, and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: I take it we will go on with this debate for some time?

Mr. Churchill: Does that mean we have to listen to the same hon. member tomorrow? Committee of ways and means tomorrow.

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

HOUSE OF COMMONS

Tuesday, October 23, 1962

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

U.S.-CUBA—FURTHER STATEMENT BY PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, with further reference to the question that was dealt with last evening, there is not a great deal I can add to the statement I made at that time. As yet there have been no confrontations at sea and no counter moves elsewhere in the world, although I would not want my words to be taken as in any way minimizing the seriousness of the situation.

All shades of political opinion in this house have welcomed the decision of the United States to take the matter to the security council of the United Nations. A meeting of the security council is scheduled for this afternoon, I believe at four o'clock, having been postponed this morning to permit the Cuban foreign minister to be present during the deliberations.

At that meeting the United States will call for an end to the action which the Soviet union has taken to convert Cuba into a base for nuclear missiles and other offensive weapons which threaten the security of the western hemisphere. As the Soviet union is a permanent member of the security council there is every likelihood that the resolution which the United States will be introducing will be vetoed. The issue will then likely be carried to the floor of the general assembly.

In connection with the suggestion I made last evening that a group of nations might be given the opportunity of making an on-site inspection in Cuba, lest there be any doubt about my meaning in that connection, I was not, of course, casting any doubts on the facts of the situation as outlined by the President of the United States in his television address. The government had been informed of and it believes that there is ample evidence that bases and equipment for the launching of offensive weapons have been constructed in Cuba and exist in sufficient quantities to threaten the security of this hemisphere.

The purpose I had in mind in suggesting a United Nations on-site inspection was to be ready to put in motion steps which could be taken in the United Nations general assembly in the event of a Soviet veto, or if the Soviet union denies the existence in Cuba of offensive ballistic missile bases. The suggestion I made was not intended to compete with any proposal of the United States that might be placed before the assembly, but rather to supplement it by providing a way in which the United Nations could begin the heavy task of exercising its primary responsibility in respect of the maintenance of international peace and security. Further moves if any will have to depend on the way the situation develops.

[*Later:*]

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister whether the government has been asked by the United States for its co-operation and assistance in the plans announced for the quarantine of Cuba and, if so, what was the nature of that request.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I take it that what the hon. gentleman has in mind is the shipping control that is to be put into effect. There has been no request from the United States government for Canadian co-operation in this connection.

Mr. David Lewis (York South): Mr. Speaker, may I follow up that question to the Prime Minister and ask whether the government has been informed of any official reaction on the part of the Soviet union to the quarantine of shipping by the United States and, if so, what that official reaction has been.

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

Mr. H. W. Herridge (Kootenay West): May I ask a supplementary question of the Secretary of State for External Affairs. Was the government of Canada consulted or informed prior to President Kennedy's statement?

Mr. Diefenbaker: Mr. Speaker, the government of Canada was informed.

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of National Defence. With respect to the crisis which has developed, have any direct steps been taken by the Canadian government, other than the withdrawing of landing and transit facilities

for Soviet aircraft? For example, have Canadian units assigned to NORAD been alerted, and have any special orders been transmitted to naval units in the north Atlantic?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, by and large the answer to that question is no. Naturally we have been reviewing plans to meet all possible contingencies.

Hon. Paul Martin (Essex East): May I ask the Secretary of State for External Affairs whether he feels he should say anything at this time about our diplomatic representation in Cuba; and in view of the statement by the Prime Minister with regard to the likely outcome of the security council proceedings, may I ask the minister if it is his intention to proceed shortly to the United Nations?

Mr. Green: Mr. Speaker, I shall not hesitate to go to New York as soon as it appears that I can be of some help there. There has been no change made with regard to Canada's representation in Cuba.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to direct a question to the minister of external affairs. Since the election of the leader of the New Democratic party to the House of Commons, has the minister of external affairs received any communication from Mr. Douglas in regard to the present international scene centreing on Cuba?

Mr. Green: No, Mr. Speaker.

Mr. J. A. Byrne (Kootenay East): I should like to direct a question to the Prime Minister. Will the Prime Minister, in a statement to the house, dissociate the government, this house and the people of Canada from the suggestion by a C.B.C. commentator last evening that President Kennedy's momentous decision regarding the Cuban arms build-up announced yesterday was motivated by domestic political considerations?

Mr. Speaker: Order. The hon. member is now asking a minister of the crown to comment on a statement of this or that individual not within the administrative responsibility of any minister of the crown. The question is therefore quite out of order.

Mr. Byrne: May I ask the Prime Minister if he will comment on this suggestion?

Some hon. Members: No.

Mr. A. B. Patterson (Fraser Valley): I should like to ask the Minister of Labour if he has received any communication from the leadership or the executive of any labour union organization regarding the international crisis centreing on Cuba?

[Mr. Hellyer.]

Hon. Michael Starr (Minister of Labour): Mr. Speaker, no such communication has been brought to my attention.

COMBINES

ANNOUNCEMENT RESPECTING COMPLETION OF DRUG INQUIRY

Hon. Donald M. Fleming (Minister of Justice): Mr. Speaker, I should like, in view of the interest expressed by hon. members in the subject, to announce the steps which the government proposes to take in order that the drug inquiry being carried on by the restrictive trade practices commission may be completed as quickly as possible.

As hon. members know, the tenure of office of the chairman and members of the commission is prescribed by the Combines Investigation Act to be for a period of ten years. There is no power to appoint any member of the commission for any shorter period, nor is there any power to extend the term of any existing member of the commission for any shorter period than ten years. The terms of office of the chairman, Mr. C. Rhodes Smith and one member, Mr. A. S. Whiteley, will expire on the 31st day of this month.

None of the matters before the existing commission have reached the stage where they cannot be directly turned over to a new commission, except the drug inquiry. The commission has held a series of public hearings across Canada, has now completed the taking of the evidence and the hearing of argument and is currently engaged in drafting the report, but it will not be possible to have this report completed by the end of this month as had been originally hoped.

It would be most inconvenient and would undoubtedly result in delays if this report were left to be completed by a new commission. In order to enable the retiring members of the commission to complete the report, it is proposed to appoint them as special assistants under the provisions of section 24 of the Combines Investigation Act. Under the statute the remaining member of the commission is authorized to exercise and perform all the duties and functions of the commission under the act, and he would do so. The two retiring members will be appointed as special assistants and will participate in the preparation of the report just as if they had continued as members of the commission. However, the final report may be signed on behalf of the commission only by the remaining member then in office, but it will include appropriate reference to the participation and concurrence of the two retiring members in the making of the report. It is expected

that this course will bring the drug inquiry to a conclusion in the most expeditious manner.

I may add, Mr. Speaker, that, as I am sure the house will realize, this will necessitate the government not filling these two vacancies until after the report has been signed, in the way I have indicated, by the remaining member. This arrangement will enable the three gentlemen concerned to devote their entire time to the completion of this report, to this one task, and it is hoped that by devoting their time exclusively to this report they may be able to complete the report by approximately December 31.

Hon. Paul Martin (Essex East): Mr. Speaker, the announcement which the Minister of Justice has just made, belated as it is, I am sure will be welcomed by every hon. member of this house. Questions have been asked by several hon. members, notably the hon. members for High Park (Mr. Cameron), Parkdale (Mr. Haidasz) and Rosedale (Mr. Macdonald), about the desirability of finding some method by which the services of these two retiring commissioners might be utilized to complete the very important report following the investigation that was made into the drug industry in this country.

The announcement made by the minister is welcomed, because he will recall that he did not see any way of providing the solution which he has now announced, although it was suggested to him in this house during the last few days that the procedure used in the reappointment of retiring members of the tariff board might well be employed in this instance.

Mr. Fleming (Eglinton): A different statute.

Mr. Martin (Essex East): The minister says it is a different statute. Of course it is a different statute, but where there is a will there is a way. In this instance, until this moment we ran the risk of having the valuable investigation made into the state of the drug industry go without avail. There was a long hearing in which the three commissioners participated, and if they had retired there would not have been a report unless the minister had resorted to the unusual procedure of having the new appointees pass judgment on evidence taken during proceedings with respect to which they were not *functus officio*. However, the minister has now corrected the situation by acting under section 24 of the Combines Investigation Act, though it is regrettable that these appointments were not made at the time, particularly when it was suggested by members of the official opposition.

Mr. Frank Howard (Skeena): In commenting on the statement made by the Minister of Justice, let me say at the outset that we regret that the services of Mr. Whiteley in this field of restrictive trade practices are to be lost, probably permanently, to Canada.

We think that though the course taken is perhaps not the correct one, in view of all the circumstances it is good enough to promote and hasten the conclusion of this important inquiry which has now been some five years in progress, first by the director of research and investigation and latterly by the commission itself. In the light of the long period of time involved, perhaps these circumstances will be the force which will make the government review the whole procedure relating to such inquiries, and thus speed up any others which may come along. It is obvious that the only reason prompting the minister to make the statement he has made at this time, at the end of this month, is the continuous representation, by way of questions and otherwise, which has been forthcoming from members of this party with regard to this inquiry.

PUBLIC SERVICE

APPOINTMENT OF A. S. WHITELEY AS CONSUL GENERAL AT SEATTLE

Hon. Howard C. Green (Secretary of State for External Affairs): I have an announcement to make as well. Mr. Whiteley has been appointed Canadian consul general at Seattle. I expect he will be taking over as of January 1.

Hon. Paul Martin (Essex East): It remains simply for me to observe with regard to this announcement that once again the Minister of Justice has been saved from embarrassment by one of his colleagues.

Mr. Fleming (Eglinton): May I offer a correction. I am saved from embarrassment always by the hon. member for Essex East with his tomfoolery.

Mr. Speaker: The announcement having been made and commented upon fully, I think we shall give some other minister who may have something to say on motions the opportunity to say it.

Mr. Frank Howard (Skeena): I should like to make one further comment, and point out that this particular position which Mr. Whiteley is to hold does not involve the combines investigation field.

Inquiries of the Ministry

BUSINESS OF THE HOUSE

QUESTION ON ORDER PAPER MADE ORDER FOR RETURN

On the orders of the day:

Hon. J. A. MacLean (Minister of Fisheries): On a question of privilege, yesterday, in reply to written question No. 342 I tabled an answer which is correct as far as my department is concerned.

But as the question was not limited to my department, and therefore the answer might be misleading, I would ask if I might have unanimous consent to have this question made an order for return.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

HOUSE OF COMMONS

CONGRATULATIONS TO NEW DEMOCRATIC PARTY ON ELECTION OF LEADER

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I rise on a question of privilege. I should like to take this opportunity of extending our congratulations to the hon. member for Kootenay West and the members of his party on the election of their leader to this House of Commons.

Mr. Lewis: Flattery will get you nowhere.

VETERANS AFFAIRS

FORT WILLIAM, ONT.—INQUIRY AS TO USE OF NON-VETERAN SOLICITORS

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Veterans Affairs, notice of intention to ask the question having been sent to the minister. Has the minister received a communication from the Royal Canadian Legion branch No. 6 of Fort William protesting against the practice of the director of the Veterans Land Act in using non-veteran solicitors in the lakehead area? If so, will the minister inform the house—

Mr. Speaker: Order. I think the hon. member is advancing an argument here, or getting into an argument. I think if he recasts his question it would be far better on the order paper.

[*Later:*]

Mr. Badanai: I wish to direct a question to the Minister of Veterans Affairs. Is the minister aware that the director of the Veterans Land Act has been using a non-veteran solicitor in the lakehead area?

[Mr. Howard.]

Mr. Speaker: Order. The hon. member is now trying to advance an argument or to proffer some information to the minister and to the house and the question is quite out of order.

Mr. Badanai: I rise on a point of order, Mr. Speaker. I am asking the minister—and I think I am right—whether he is aware that a non-veteran solicitor is being used in the lakehead area. That is all I wish to know.

Mr. Speaker: It is still not a question for the orders of the day.

AIRPORTS

GANDER—REPORTED REDUCTION IN CATERING SERVICE

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, on Friday last the hon. member for Grand Falls-White Bay-Labrador inquired about catering service at Gander.

The restaurant service in the terminal building at Gander has been operating under commercial contract to my department. In view of increasing losses on this operation, plans were initiated to convert the operation to a self-service cafeteria in order to reduce the losses. It is understood that this action will involve some staff adjustment on the part of the contractor.

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): If I may be permitted to do so, Mr. Speaker, I should like to ask a supplementary question. I would ask the minister if he would reconsider that decision in view of the representations which are being made.

Mr. Balcer: Mr. Speaker, this decision has been reached at the request of the concessionaire as well as the department. It was agreed on by both parties.

(Translation):

HOUSE OF COMMONS

REPORTS OF BANK OF CANADA—IN FRENCH

On the orders of the day:

Mr. Albert Bechard (Bonaventure): Mr. Speaker, may I direct a question to the Minister of Finance? I am preparing a submission in connection with the present debate, and I need to consult the monthly reports of the Bank of Canada. Could the minister tell me if these reports are published in French; if so, where could I find a copy?

(Text):

Hon. George C. Nowlan (Minister of Finance): The hon. member will find it in the library.

(Translation):

REQUEST FOR FRENCH EDITION OF GOVERNMENT TELEPHONE DIRECTORY

On the orders of the day:

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I have here the Government of Canada Telephone Directory. May I ask the Prime Minister if he intends to have it translated into French?

(Text):

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, this is my first question to the Secretary of State. Has the Secretary of State received from Dr. Comfort a report with respect to the Chrysler paintings that would bring some comfort to the hon. member for Niagara Falls (Miss LaMarsh)?

WAYS AND MEANS

The house in committee of ways and means, Mr. Chown in the chair.

INCOME TAX ACT

Resolved,—that it is expedient to introduce a measure to amend the Income Tax Act to provide among other things:

1. That for the 1962 and subsequent taxation years the amount deductible in computing taxable income in respect of a child qualified for family allowance be increased to $300 and the amount deductible in respect of other dependants be increased to $550 each.

2. That with respect to income earned after March 31, 1962 a corporation whose principal business is manufacturing or processing (not including a corporation whose principal business is shipbuilding, mining, logging or the operation of oil or gas wells) be allowed to deduct from its tax otherwise payable an amount equal to 50 per cent of the tax on the first $50,000, of its taxable income attributable to increased sales and an amount equal to 25 per cent of the tax on the remainder of its taxable income so attributable.

3. That with respect to its first taxation year ending after April 10, 1962 and the next succeeding four taxation years a corporation be permitted to deduct in computing income 150 per cent of the amount by which expenditures of a current and capital nature on scientific research in Canada incurred by it in the year exceed expenditures of a current and capital nature on scientific research in Canada incurred by it in its last taxation year ending on or before April 10, 1962.

4. That for the 1962 to 1966 taxation years both inclusive the deduction from tax allowed to corporations in respect of taxable income earned in a province be increased from 9 per cent to 10 per cent in a prescribed province in which arrangements exist for the replacement of federal grants to universities by additional provincial grants in accordance with the proposed amendments to the Federal-Provincial Fiscal Arrangements Act.

5. That with respect to taxation years commencing in 1962 a taxpayer be allowed a deduction from tax of an amount equal to the lesser of two thirds of the amount payable for the year to a province as a tax on income from logging operations or $\frac{2}{3}$ of 10 per cent of the taxpayer's income from logging operations in the province, and the right to deduct in computing income amounts paid to a province as tax on income from logging operations be repealed.

6. That with respect to expenses incurred after April 10, 1962 any corporation be allowed to deduct in computing income the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by it on or in respect of exploring or drilling for petroleum or natural gas in Canada and the prospecting, exploration and development expenses incurred by it in searching for minerals in Canada not exceeding its income for the year from oil or gas wells in Canada.

7. That with respect to expenses incurred after April 10, 1962 an individual be allowed to deduct in computing income the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by him on or in respect of exploring or drilling for petroleum or natural gas in Canada not exceeding his income for the year from oil or gas wells in Canada.

8. That with respect to acquisitions after April 10, 1962 amounts paid by

(a) a corporation whose principal business is production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for petroleum or natural gas, or mining or exploring for minerals,

(b) an association, partnership or syndicate formed for the purpose of exploring or drilling for petroleum or natural gas,

(c) a corporation (other than a corporation that qualifies under (a)), or

(d) an individual for a right, licence or privilege to explore for, drill or take petroleum or natural gas in Canada shall be classed as drilling or exploration expenses for purposes of computing deductions from income.

9. That with respect to sales of property acquired after April 10, 1962 there shall be included in the income of a taxpayer any amount received as consideration for the disposition of a right, licence or privilege to explore for, drill for or take petroleum or natural gas except where the right, licence or privilege was acquired by inheritance or bequest.

10. That the right of a successor corporation to deduct drilling, exploration, prospecting and development expenses incurred by a predecessor corporation from the income of the successor corporation attributable to the production of petroleum or natural gas from wells, or the production of minerals from mines, situated on property acquired from the predecessor corporation shall not be lost by reason of the fact that the successor corporation assumed liabilities of the predecessor corporation.

11. That a joint exploration corporation may renounce an appropriate share of the drilling, exploration, prospecting and development expenses incurred by it after 1956 in searching for oil, gas or minerals in Canada in favour of a shareholder corporation whose principal business is

(a) production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for petroleum or natural gas,

(b) mining or exploring for minerals,

(c) processing mineral ores for the purpose of recovering metals therefrom,

(d) a combination of

(i) processing mineral ores for the purpose of recovering metals therefrom, and

(ii) processing metals recovered from the ores so processed, or

(e) fabricating metals,

and in such case the expenses renounced shall be deductible by the shareholder corporation and not by the joint exploration corporation.

12. That the right of a successor corporation to deduct drilling, exploration, prospecting and development expenses incurred by a predecessor corporation from the income of the successor corporation attributable to the production of petroleum or

natural gas from wells, or the production of minerals from mines, situated on property acquired from the predecessor corporation be extended to a second successor corporation which has acquired the property from a predecessor corporation which was itself a successor corporation.

13. That for the 1962 and subsequent taxation years income earned in Canada by a non-resident corporation whose principal business is mining iron ore in Canada, be exempt from the additional 15 per cent tax imposed by Part IIIA on profits earned in Canada by non-resident corporations.

14. That where an employee who is a member of one deferred profit sharing plan becomes a member of another deferred profit sharing plan the amount to his credit in the first mentioned plan may be transferred to his credit in the second mentioned plan without attracting tax on the amount so transferred.

15. That the amount to the credit of an annuitant under a registered retirement savings plan may be transferred at any time before the maturity of the plan to another registered retirement savings plan or to a registered pension fund or plan without attracting tax on the amount so transferred.

Mr. Gordon: Mr. Chairman, in looking over *Hansard* for last evening I see that I left out one of the points in the Liberal party's program for economic development and expansion. I should like to place it on the record now as point No. 10 of that program.

We believe there is need for an economic council with an experienced full time staff. Its purpose would include continuous study of long term economic trends and advising the government of changes in policy that may be called for under changing circumstances. In addition, this economic council should be asked to undertake studies of special problems before rather than after they reach crisis proportions.

Now, I wish to emphasize that this council should have no executive responsibility. It should not be a substitute for government, but it could be helpful to government and a useful addition to the existing administrative machinery. This concept of planning or forward thinking was anathema to the Conservatives until quite recently, and it is just possible it is anathema still to some of them. According to the Minister of Finance, the government, or at least some of the influential members of the cabinet, have been converted. I listened with great interest to what the minister had to say about the proposed economic development board. If the substitution of the word "board" for the word "council" is the only difference between what the minister has in mind and what has been in the Liberal program for some years, then we shall be happy to support this proposal.

I noticed, however, that he did not say anything about the full time staff that an economic council or economic board will need if it is to be effective. I think one might almost say a council of this kind will be as good as, and not much better than, its full time professional directors or officials. An advisory committee chosen presumably from various occupational groups and interests will make a very valuable contribution. In addition, they will provide the full time staff with contacts and connections that otherwise might be more difficult to develop. But a part time advisory committee, no matter how eminent its membership may be, cannot carry out what must be a full time operation. This is one of the weaknesses of the present productivity council.

Before ten o'clock last night I had been reviewing some of the many things that have happened since the budget of April 10 was presented to, but not debated by the previous parliament. I had just finished saying it was a free spending budget with a large deficit, despite which ministers had been going around the country during the election campaign promising to increase expenditures for such things as a causeway in the east and a second trans-Canada highway.

Mr. Fleming (Eglinton): You were the one who advocated the big increase in expenditures.

Mr. Gordon: I shall try to refrain from noticing the Minister of Justice this afternoon, unless he keeps provoking me.

Mr. Fleming (Eglinton): Wouldn't that be too bad.

Mr. Gordon: What happened immediately after the election? We did not hear any more about this new spending. On the contrary, the government has decided to spend somewhat less that it had said it would. The speech that the minister of finance made on budget night last April, that is the previous minister of finance, defending his policies at that time does not stand up as a defence today. That budget has been thrown out, and the minister has been removed to a less vulnerable portfolio. The policies have been repudiated.

But what has been put in their place? We do not deny the government's right to change its mind and repudiate its old budget. However, in that case the country is entitled to a new accounting, a new budget. We are told there is not going to be a new budget for this year.

What would anyone think of the manager of a trade union or a farmers' co-operative or a business corporation who refused to give a financial accounting to the members? At the very least the people who were treated in this way would become suspicious. They would want to now whether the books were in a mess; they would want to know whether the manager was incompetent or just plain

arrogant in refusing to give a proper accounting of his stewardship and what he planned to do. They would suspect that something serious was wrong.

The refusal of this government to give a proper financial accounting of its stewardship is bound to create doubts. It is bound to increase public misgivings as to its ability to manage our affairs. It is bound to convince an increasing number of Canadians that the sooner this government is dismissed from office the better it will be for all of us.

In my professional experience as a practising chartered accountant over a period of 30 years, there have been only a very few occasions when normally honest and responsible people have tried to refuse to give an accounting of their stewardship, when they have tried to get out of being questioned about their policies and plans in the usually accepted way. It is serious enough, even though it may not happen very often, when private individuals try to circumvent the rules and customary practices. It is much more serious when this is done by the government. This kind of disregard for established practice, this sort of trickery—and it is that—is holding parliament in contempt.

The Leader of the Opposition made it quite plain on October 19, when he said the official opposition had decided to allow interim supply to go through without debate, that we were doing so in order to permit the government to bring forward its long range financial and economic proposals for dealing with our country's basic problems. These proposals or that program, if one exists at all, should be presented in the form of a budget before the government comes back for further interim supply. This will give the government ample time to reconsider a decision that, despite all the words and all the arguments of the Minister of Justice, will set a very dangerous precedent.

(Translation):

Mr. Gilles Gregoire (Lapointe): Mr. Chairman, after listening to the famous Conservative financial troika, I believe that we could also talk of a Liberal troika with one good wheel, a wheel that works, that of the hon. member for Davenport (Mr. Gordon), who, on various points, is getting very close to the Social Credit policy. This is quite an encouragement and, before long, with all the intelligence we know him to have, he will come over to us. As to the second wheel, it was not in the house, at least not on the floor of the house last night, it was to be found in the gallery. That is a wheel with a flat tire, which has been flat for quite a time after several punctures. I am thinking of the financial expert of the Liberal party, a would-be member of parliament for the riding of Quebec East, who last night was sitting in the gallery.

An hon. Member: You should not attack those who are absent.

Mr. Gregoire: The third wheel is a somewhat square wheel which goes only in one direction, that of the bankers' and the chartered banks' friends. I mean the hon. member for the chartered banks, the hon. member for Laurier (Mr. Chevrier). That is the Liberal troika.

Mr. Chairman, I listened with much attention yesterday to the Minister of Finance (Mr. Nowlan). I have his speech here in my hands, I read and re-read it, and after the first few pages, I wondered whether the Minister of Finance made a budget statement for Canada.

"The Canadian economy has been expanding", he said, "the performance of the economy is impressive, production is achieving gains" and "the increase is encouraging". "Unemployment is decreasing" and "employment increasing" while "automobile sales are establishing a record this year". Finally, we are wondering why there should be an austerity program, if everything is going so well.

Those first pages are to make us believe that we are in a period of full prosperity, and to convince us that everything will be for the best, thanks to the legislation indicated in the second part of the budget. Those pages are there to explain that the austerity prevailing in Canada does not exist.

Let us take an instance. It is not surprising to see that "automobile sales have increased". But we also find that the number of cars bought on the instalment plan has increased, and that the amount of loans by finance companies, who are charging 24 per cent interest a year has reached $1,067,000. Now, the average loan is for $500 which means nevertheless that a million individuals, in spite of our supposedly flourishing expansion, are poor and have to borrow from those companies.

Mr. Chairman, we have here various things that are rather striking. I notice, among other things, in the speech of the Minister of Finance, that, in spite of some cuts in spending, there are some increases and the total amount of interest payable on the public debt this year, will reach $40 million more than was foreseen six months ago. Thus, the financiers of the chartered banks shall get from this country's budget $40 million more in the form of interest.

On the other hand, Mr. Chairman, we note on page 333 of the revised estimates for the Department of Public Works, that the amount earmarked for projects which would benefit

Canadian workers now unemployed has been cut by $30,076,443. We therefore see that the budgetary revision helps, after all, those who are profiting from the debt system in this country, but not the Canadian people. Public works are curtailed for those who hunger for bread and work.

Mr. Chairman, I will suggest to you later on how the Minister of Finance could save several hundred million dollars on his revised budget. After having dealt with the performance of the Minister of Finance, I would be remiss in not dealing with some points of the speech made by the hon. member for Davenport (Mr. Gordon), on the budget.

Mr. Chairman, I said a moment ago that the hon. member for Davenport had somewhat the same views as Social Credit on certain points. I would be remiss if I did not mention some of the ideas he put forth. As we can see on page 816 of *Hansard*—and here I wish to point out to the house that, at the noon hour we had not yet received the French edition of yesterday's official report, even though we have had the English edition since nine o'clock this morning. As I was saying, page 816 of *Hansard* reports the hon. member for Davenport as setting forth various objectives that should be achieved. As the first essential of the program, he mentioned the following:

(Text):

The first essential of this program is an easy money policy. By this I mean much freer credit and lower interest rates instead of the tight money policy that is an integral part of the government's austerity program.

(Translation):

Mr. Chairman, I feel that at least half the hon. members should agree on that point. It is not by imposing credit restrictions but by expanding credit that we will truly make Canada prosperous. However, in doing that, we should not follow the principles put forward by the Liberal party's chief economist, Mr. Maurice Lamontagne, about a year ago, when he stated that credit must be made easy when there is a recession and that it must be tightened when a country's economy is prosperous. Personally, I believe that credit must, at all times, be expanded so as to keep pace with the development of resources and the growth of the country, not only in certain periods, for the purpose of getting more votes.

In that respect, I should like to suggest that the hon. member for Davenport carefully examine the list of objectives he gave us yesterday and the principles set down by his party's chief economist. After that, I am sure he will want to join us.

There is another point that the hon. member for Davenport raised in the course of his speech which I must not forget to mention. On page 816 of *Hansard*, he is quoted as saying:

(Text):

I do wish to emphasize however that in the kind of program I am proposing the government must assume full responsibility for monetary policy. The carrying out of that policy is the duty of the Bank of Canada. But the responsibility is the government's and there can be no room for misunderstanding about that.

(Translation):

Mr. Chairman, that is what the Social Crediters have been advocating for a long time. The responsibility for our monetary and financial policies must not be left to the chartered banks, whatever the views of the hon. member for Laurier (Mr. Chevrier) on this question, but must be assumed by the government, and it is incumbent on the Bank of Canada to carry out such policies. That is one of the main points of Social Credit.

Mr. Chairman, I now come to another point raised by the hon. member for Davenport. In fact, as can be seen on page 817 of *Hansard*, he stated that the solution to our yearly deficit does not lie in foreign investment in our country, because the withdrawal of interest each year would be a constant source of problems.

We are satisfied that investments in our country, instead of being made by foreign investors, should be made through capital created by the Bank of Canada, which would contribute to the development of Canada.

If, in the past, foreign investors have been able to find the required capital to come and develop our country, why should we not, as citizens of Canada, be able to develop our own natural wealth, our own natural resources in order to develop our country.

Mr. Chairman, a few months ago, immediately before or after the election, it was said that there was a flight of foreign capital from our country. I remember very well how all political parties complained and moaned then on this flight of foreign capital from our country. We, of the Social Credit party, were the only one to greet the news and to say: "If foreign capital wants to run away from this country, let the Bank of Canada create capital to replace it". If you exchange one form of capital for another, there is no reason for inflation. Foreign investments are leaving our country to go elsewhere, we create new capital, our own capital, by which we shall be able to take over the control of our nation. One form of capital for another, there is no inflation; let us become our own masters with regard to the development of our natural wealth.

And now, Mr. Chairman, I should like to suggest to the Minister of Finance and to the government certain ways and means for making some savings in the estimates now before us.

For instance, when I refer to page 104 of the revised estimates—I have to refer to the English version since we have not yet received the French version—I see, at the bottom of the page, "Public debt charges", which include the interest on the public debt, the servicing of public debt, as well as the cost and the payments to agents, etc., amounting to $788,181,300. This means that the debt of Canada will cost us this year $788,181,300, in interest only.

Some hon. Members: Shame.

Mr. Gregoire: Mr. Chairman, if we were able to set up in our country a system under which we could live without debt, I believe that, such an amount being saved, we would then be able to balance the whole budgetary deficit estimated for this year, in spite of the revised estimates approximating $640 million—

An hon. Member: $540 million.

Mr. Gregoire: $540 million. If only we were able to pay off our debt, we would save $780 million a year.

How can we do it, Mr. Chairman? We are not here simply to state the problems, but we also want to help by providing answers.

Mr. Chairman, by changing only one word in the Bank Act we would be able to repay our debt over a period of five, six or seven years.

This is what I find in volume I of the Statutes of Canada, 1953-54, chapter 48, page 294, section 71, paragraph 1:

> The bank shall maintain a cash reserve in the form of a deposit with the Bank of Canada and of Bank of Canada notes held by the bank, and such reserve shall be not less on the average during any month than 8 per cent.

Mr. Chairman, let us change this "8 per cent" gradually, step by step, until it reaches 100 per cent, thus increasing the banks' cash reserves gradually up to 100 per cent over a given period of years. Then, the chartered banks, which need cash reserves so that they will not have to tighten credit and cut loans already made, will have to get other cash reserves.

Where will they get these other cash reserves? At one single place, at the Bank of Canada, which will supply them against redemption of Canadian government bonds.

In this way, and without reaching for money in the pockets of Canadian citizens, through taxes, the Canadian government will be in a position to repay the country's debt and save $788 million interest per year.

Now, Mr. Chairman, there is also a second way in which the government could save money, in this case an amount of approximately $700 million per year. When we have changed the word I mentioned in the statutes, the chartered banks will not be able any more to create money and credit in Canada, because then they will have to keep cash reserves at 100 per cent.

If, instead of the chartered banks, the Bank of Canada created what is now being created each year by these banks, this would give it an additional income of $700 million per year.

Mr. Speaker, to prove that money is actually being created by chartered banks in this country, I have here many passages from the 1939 report of the standing committee on banking and commerce. I would like to quote especially many questions directed to the then governor of the Bank of Canada, Mr. Towers, and his replies.

I find, among others, on page 75 of this report, a question from Mr. McGeer and Mr. Towers' reply:

> Q. I mean to say the deposit in the banker's book is the actual money?
> A. Yes.

Another question from Mr. McGeer:

> That is, it is not money; but it is the effective substitute for money which modern practice in banking and commerce has developed?

To which Mr. Towers replied:

> Exactly.

Again, another question from Mr. McGeer:

> So that 95 per cent of our monetary transactions are now carried on by using a medium which is an efficient and effective substitute for money?

Ninety five per cent, Mr. Chairman. And here is Mr. Towers' reply:

> Which, in fact, is money for the purpose of our discussion.

And, please note, Mr. McGeer goes on to say:

> Therefore, those who are empowered to issue bank deposits as a substitute for money are the ones who control the volume of the medium of exchange in circulation?

Here, Mr. Towers said:

> No, they do not; because their powers to do it are limited by legislation.

Now, Mr. McGeer asked another question:

Within these powers of their legislation?

Answer by Mr. Towers:

And the amount of the cash reserve, which is determined by the Bank of Canada, determines the extent to which the chartered banks can go in the way you mentioned.

Another question by Mr. McGeer:

As a matter of fact, the fact is that 95 per cent of our monetary transactions are now maintained by the use of bank deposits. That is the fact. So that under the powers enjoyed by the banks under our laws, they do issue 95 per cent of the medium of exchange, or they issue the medium of exchange which transacts 95 per cent of the business of the people and the state.

And a little further down, on page 75, Mr. McGeer said:

—But I am dealing with the power to issue that form of money. That is a privilege of the chartered banks?

Mr. Towers answered:

That has been banking for centuries, yes.

And here, another question by Mr. McGeer:

Well, that is a privilege of the chartered banks?

And notice that in that moment, Mr. McGeer was insisting and Mr. Towers answered:

Yes, exactly.

Mr. McGeer goes on:

It is a right which they have, subject to all the restrictions and limitations of the law?

Mr. Towers: Yes.

Now, Mr. McGeer asked a more practical question:

Am I right in saying that a bank deposit can be created in this way? A banker can purchase a dominion government bond by accepting from the government, we will say, a bond for $1,000 and giving to the government a deposit in the bank of $1,000?

Mr. Towers: Yes.

Question by Mr. McGeer:

When a bank takes a bond from the government, what the government receives is a credit entry in the banker's books showing the banker as a debtor to the government to the value of $1,000?

Mr. Towers replied:

Yes.

Mr. McGeer said:

And, in law, all the bank has to hold in the way of cash to issue that deposit liability is 5 per cent?

Mr. Towers replied:

A. Yes.

That is clear enough, Mr. Chairman. And that is not all. Mr. McGeer asks another question about the war debt:

So that a considerable portion of the war financing came through the increase of Canadian bank deposits?

[Mr. Gregoire.]

Mr. Towers replied:

Yes.

Another question was put by Mr. McGeer:

As a matter of fact, we financed our war costs pretty much by—

And his question ends, a little bit further:

—by internal financing in Canada.

Mr. Towers replied:

Yes.

The Chairman: Order.

(Text):

I wish to caution the hon. member who has the floor about the use of *Hansard* for extensive and exhaustive quotations. There is no fixed rule limiting the amount or extent of the quotations that one may put on record in *Hansard* directly from a reference volume, but I notice that the hon. member has been reading extensively and for some period of time from the volume he has in his hand, and I wish to caution him that this is not a practice which is normally permitted in committee.

(Translation):

Mr. Gregoire: Mr. Chairman, there are so many people in this country who still think that money grows in potato fields, that it comes from heaven, that if one fine day, someone explains to them from where the money comes in Canada, I think that it is worthwhile listening to him.

I do not propose to quote a great number of excerpts in this book, but I wish to read the main parts which point out what body creates money and the source of our money. This argument is advanced every day and we are asked: "Where does money come from"? I am even convinced that several hon. members in this house do not know it yet. As a case in point, I remember that the hon. member for Hull (Mr. Caron) told me that the money supply is based on our gold reserves. If they can be shown the source of our money everybody will benefit from it.

Mr. Chairman, there is something else besides the reports I have just mentioned. I should like to quote certain extracts and even certain replies given by Mr. Towers, and also some statistics to prove that the chartered banks create money in Canada.

Before I do that, however, I should like to read an extract of a speech which more than bears out my point of view. It was delivered at a dinner by the American secretary of the treasury, Mr. Robert B. Anderson. Here is what he said, according to the May 4, 1959 issue of the *U.S. News and World Report.*

(Text):

Suppose I wanted to write cheques for $100 million starting tomorrow morning, but the treasury was out of money. If I called up a bank and said,

"Will you loan me $100 million at 5½ per cent for six months if I send you over a note to that effect?" the banker would probably say, "Yes, I will."

Where would he get the $100 million with which to credit the account of the United States treasury? Would he take it from the account of someone else? No, certainly not. He would merely create that much money, subject to reserve requirements, by crediting our account in that sum and accepting the government's note as an asset. When I had finished writing cheques for $100 million the operation would have added that sum to the money supply. Now certainly that approaches the same degree of monetization as if I had called down to the bureau of engraving and printing and said "Please print me up $100 million worth of greenbacks which I can pay out tomorrow".

(Translation):

Again, Mr. Chairman, that amply proves my point.

The expression "funny money" that some hon. members are so fond of should not be used to describe the money with which Canadians purchase their country's products but the money that is being taken from the taxpayers' pockets when Canadians do not have money to benefit from the enormous amount of available Canadian goods. That is what we would truly call "funny money" or "plenty money".

As for the role played by the banking system, I have here some figures which show that chartered banks create money and credit in Canada. Thus, according to page 1124 of the 1961 edition of the Canada Year Book, the chartered banks paid up capital amounted to $265 million, in 1960. Therefore, the chartered banks have $265 million. Now, according to page 1126 of the Canada Year Book, their net earnings for the same year totalled $196.5 million. Their total operating earnings amounted to $842.4 million and their paid up capital amounted to $265 million.

An hon. Member: They are not making any money.

Mr. Gregoire: They complain that they do not make enough profits.

An hon. Member: Times are hard.

Mr. Gregoire: Now, Mr. Chairman, according to pages 1122-23 of the Canada Year Book, the Bank of Canada deposits and notes for those whose paid up capital amounts to $265 million amount to $992 million; treasury bills of the government of Canada, to $967 million; government of Canada direct and guaranteed bonds to $2,088 million; other Canadian securities, insured residential mortgages and loans in Canada, to $8,511 million.

An hon. Member: They do not print money.

Mr. Gregoire: No, they do not print money.

Cash, securities and foreign loans: $2,725 million; total, $16,917 million.

Where does the difference come from, Mr. Chairman? That is the $64 question.

The difference can be explained this way: as found on page 1124 of the Canada Year Book, under the title "Canadian Cash Reserves", the average cash reserve ratio is 8.2 per cent, that is $625 million in Bank of Canada deposits and $360 million in Bank of Canada notes, which makes a total of $985 million.

I mentioned a moment ago section 71 of the Bank Act, which prescribes that this reserve must not be less than 8 per cent during a given month. However, the banks keep an average reserve of exactly 8.2 per cent.

Mr. Chairman, one is perfectly aware that the chartered banks have the right to create by a stroke of the pen currency and credit in Canada as the former governor of the Bank of Canada clearly stated.

Therefore, each year, if we take the average for the last ten years, the chartered banks have created—in the way I just explained—about $700 million, or $7 billion in the last ten years, at the rate of $700 million per year. Now, Mr. Chairman, this amount added to the $788 million of possible savings by the Canadian government should they accept the suggestion we offered a few moments ago would enable Canada to pay off her debts in full.

Statistics confirm that the money supply is increasing from year to year. Obviously it represents an increase in the coffers of the chartered banks.

There is a third way for the government to increase their revenue without raising taxes.

If the government ever decided of course, after having retaken the control of money and credit, and after amending the Bank Act by substituting in section 71, and elsewhere if necessary, 100 per cent to 8 per cent—to create each year as much money and credit as there is production, the result would be this. As recorded on page 1091 of the Canada Year Book, 1961, from 1926 to 1960, the yearly increase in production was as follows: in 1926, it was $5,152 million and in 1960 it was $35,959 million. So, each year we see that our production has increased. If we take the figures for the last ten years,

we note that production has jumped from $21,170 million in 1951 to $35,959 million in 1960, that is, an average increase of $1,400 million a year.

Mr. Chairman, it never occurred to anyone to finance that increase in production by the creation of new credit, free of any debt, through the Bank of Canada.

If we had done that, if we did that in this year's budget, we could thus find new sources of income, new money which would be created by the Bank of Canada, in an amount of some $1,400 million. If you add the $788 million which could be saved on debt interest, $700 million to create money, which could now be created in place of chartered banks, and $1,400 million to balance production against purchasing power, you get a total of $2,900 million.

Mr. Chairman, if we examine the speeches made by the Minister of Finance and by the hon. member for Davenport (Mr. Gordon), and in the light of the explanations I have just given, we note that both sides want to promote a public works program in order to increase employment.

We are in favour of a public works program, since we feel it is the only way to stop unemployment in Canada, and check the present economic crisis. But we also know that public works are being carried out at all levels of government, and that they come under the federal, provincial and municipal governments, as well as under school boards.

To follow up the suggestion I made about chartered banks, I would suggest to this government to revise the basis of taxation, more particularly in regard to personal income and corporation taxes, as well as to estate taxes, which would permit provinces to benefit from additional income. That increased income would make it possible for the provinces, the municipalities and the school boards to carry out their projects. It seems to me that all members, and especially those from the province of Quebec, should set their hearts on promoting the redistribution of revenue sources.

I should like to quote from the report of the royal commission on constitutional problems, which deals with the redistribution of sources of revenue at the various levels. The following statement is to be found on page 205 of part 2 of volume 3:

[Mr. Gregoire.]

In Canada, the cultural duality is one of the main reasons for the federative nature of our political system, and the province of Quebec is specifically responsible for the trusteeship of one of those existing cultures. On account of the common good, for which it is partly responsible, it is incumbent upon the central government, in the exercise of its own jurisdictions, to set up its policy according to the cultural requirements of the groups recognized by the constitution, and to co-operate with the province which is, in this regard, invested with a particular responsibility—

And on page 240:

The federal government, sole master of indirect taxation, thus has at its disposal an important source of revenue. It thus has also very large powers of political initiative which it uses, without having to consult the provinces, in the way which it deems best for the general interests of the country.

And this is what I find on page 241:

Similarly, the provinces should be given the taxes which, by their impact on the way of life, the institutions, the social life, are most directly connected with their constitutional responsibilities: land taxes, vested in the municipalities by the provinces, estate taxes, taxes on the development of natural resources, personal and corporation income tax.

Mr. Chairman, a redistribution of the revenue would thus allow provincial governments, as well as municipalities and school boards, to carry out the projects which come under their jurisdiction, and to undertake developments according to their several needs as well as those of the country.

We know that under the British North America Act, the federal government is the only one responsible for monetary policies in the country, the only one responsible for creating money, and that it can thus find revenue sources. I believe that the federal government must yield certain sources of revenue to the provinces, so as to make it possible for them to develop themselves as they should.

Mr. Chairman, many people wonder if Social Credit is right in suggesting that there is a gap between production and purchasing power. I should like to come back on that subject and give some explanations.

In the "Canada Year Book" published by d.b.s. for the year 1958 the national income, including salaries, social security allowances, supplementary revenues, military allowances, corporate revenues, investment revenues, revenues of non-agricultural industries and professional fees amount to $24,673 million. For the same year, the national product was $32,509 million. That is fine. But some people

say that between the two figures, national revenue and national production—we must also be careful not to forget indirect taxes and depreciation—we had a national revenue of $32,509 million. Some people include in the national revenue the amount collected by the government as indirect taxes, because those amounts are totally redistributed through social security allowances, and all those amounts make up purchasing power. We admit that the taxes collected constitute purchasing power for those who receive salaries or allowances from the federal government. But salaries and allowances are already included in the national income. Indeed, when a worker receives, out of indirect taxes, a salary for helping to build a post office, that salary is taken into account in Canada's national income at the end of the year. The same thing goes for the person who receives welfare allowances during the year, out of taxes. Those allowances are included in the national income, as shown in the Canada Year Book.

Therefore, Mr. Speaker, it is obvious that if the same figures are included twice, three times, columns of figures can be balanced. But indirect taxes which are levied upon the people will then reduce their purchasing power by the same amount, and when you return this amount to them in the form of welfare allowances or salaries, it will be included in the total national income, under the different items. There you will always have the same $8 billion gap, for 1958-59, between the national income and the national product.

And in the face of all those facts, when we talk about increasing the buying power, many hon. members in this house will raise the cry of inflation because they do not know better. They wonder whether the implementation of the Social Credit doctrine would not bring about inflation.

To keep explaining things, let us come back to the matter of inflation. First, may I say that as far as the inflation we have had in Canada over the last 22 or 23 years is concerned, Social Credit cannot be held responsible for it, since that party was not in power.

Let us recall what happened since 1939.

In 1939, out of each production dollar in Canada 30 cents were paid out in salaries and wages. In 1960, out of each production dollar, 20 cents are paid out in salaries and wages. So, inflation was not caused in Canada by salary increases. In 1939, on every production dollar, companies were getting 10.2 cents as profits. In 1960, the profit is only 8.6 cents on every dollar production. In 1939, 11 cents out of every dollar of production went for taxes, whereas in 1960, 46 cents went for taxes out of every dollar of production. That is where inflation comes from.

An hon. Member: We will talk about that later.

Mr. Gregoire: Mr. Chairman, does anyone wonder who is responsible for inflation? One can say that the responsibility rests with the Liberals who were in power from 1939 to 1957, because they organized that taxation system applied by ruthless inspectors, who have hearts of stone, who can get blood out of a stone, who are there to hurt the taxpayer and to make life miserable for the people instead of helping them.

People are turned into the street without pity. The bureaucrats in the income tax division act heartlessly and thoughtlessly; all that proves that the Liberal administration, together with its friends in the police, has terrorized the Canadian citizen to make him pay income tax when he had no money left.

It is, finally, the Liberal government which has set up this taxation system, which has established, especially from 1939 to 1952, the taxation machinery that is ours today; the taxes we know today were increased during that period.

The Conservative government followed suit but still it was the Liberals who started the whole thing.

Inflation is the result of taxes and taxation.

Mr. Chairman, unemployment is another of the serious problems which was dealt with in the budget presentation. Therefore, we should like to make a few suggestions to this government.

First, I listened very carefully when the present Minister of Labour (Mr. Starr) gave us the number of unemployed in Canada. The number of jobless registered on December 28 reached 286,724. This figure, Mr. Chairman, includes those drawing unemployment benefits, but not those who are not eligible to these benefits, nor those who draw social benefits instead of unemployment benefits.

Mr. Chairman, all this put together, the final result is about double this figure.

Judging by what is happening in my county, in my section of the country, I am convinced that in the province of Quebec, in the whole of Canada, the number of unemployed is fairly high and that everything indicates that one of the most serious unemployment crisis ever experienced in Canada

since the last war is in the offing. Mr. Chairman, considering these facts, I believe it necessary to offer some suggestions to the present government.

An hon. Member: Vote for the Conservatives.

Another hon. Member: Just wait a minute.

Mr. Gregoire: If, at least, the member for St. Jean-Iberville-Napierville (Mr. Dupuis) had suggestions to make, but he has nothing new to tell us.

Mr. Chairman, if we want to settle the unemployment problem, we must first understand that it is not by putting all the workers to work in the plants that we will do so.

With the progress of our modern world, automation and the present expansion of our country, machinery increasingly replaces workers. That is progress and we must not be against it. Workers are being thrown out of manufacturing by machinery.

Consequently, we must direct our youth towards others jobs than those of long standing rather than plan their lives. Indeed no human being wants to submit to outside planning.

A hundred years ago, there was in a manner of speech, only one kind of work. Most citizens were engaged in production. Thus, it was the shoemaker himself who sold the shoes he made by hand. It was the same man who performed all the operations of that job.

Because of the introduction of machinery, a new field of work was discovered; sales. At that stage many workers left the field of production for that of marketing. Then we had two fields of work.

But today, the sectors of both production and sales are saturated. Indeed, there are so many salesmen at the present time that some of them canvass from door to door in our Canadian homes in order to sell their goods: dictionaries, perfume, encyclopaedias, soap and so forth, while others even sell courses in salesmanship.

Mr. Dupuis: Others sell Social Credit.

Mr. Gregoire: Mr. Speaker, that is to say, we have come to a bottleneck in the field of distribution.

But there is a third field to which the government should devote some effort, and I do not mean the field of production or marketing, but rather of services. The federal government should direct our youth not toward the fields of production or distribution, but rather toward a realm of endeavour where they may accomplish useful and needed things for the country.

Let us take for instance the case of school teachers. When we think that at present in the province of Quebec there is an average of one teacher for 40 pupils—and even more than that in some grades—while all educational specialists agree that the required average to ensure a better education would be one teacher for 12 or 14 pupils, it means that in the province of Quebec alone, we are short about 110,000 school teachers, and the figures published by the Department of Labour indicate that there are some 90,000 unemployed in the province of Quebec at the present time.

Mr. Chairman, if the Liberal government of 20 years ago, when it was time to do so, had seen what was coming, and had started, at that time to direct our youth, not towards plants, as was done for too long, but towards occupations which could have provided work for them—

An hon. Member: That comes under the province.

Mr. Gregoire: I know and I shall come to that.

If the federal government had directed our youth towards occupations which could have provided work for them, it would have helped them prepare for the future, and we would not find ourselves faced with an unemployment crisis as we are today.

Mr. Dupuis: It is Duplessis who was in power.

An hon. Member: For 20 years.

Mr. Gregoire: This is true, and I am happy that this matter has been raised. But you will find, Mr. Chairman, that before putting forward my argument, I took good care on the basis of sound evidence, to ask the federal government for a re-distribution of revenue sources, so as to enable the provinces to deal with whatever is under their jurisdiction, that is to look after education, road building, health—

Mr. Dupuis: Do not condemn your friends.

Mr. Gregoire: Mr. Chairman, I took good care to start by pointing out to the federal government that it could find some sources of revenue which would bring in a further $2,900 million a year, and I invited it later, to give back some sources of revenue to the provinces, so that they might develop those fields.

But, 10, 15 or 20 years ago, the federal government kept for itself, as it is still keeping for itself, all sources of revenue, so that the provinces who want to expand in the field of

education as well as in others, realize very soon that their revenue is inadequate.

We may try to set up things, and to wish, as the Liberal minister from Quebec—and the hon. member of St. Jean-Iberville-Napierville (Mr. Dupuis) realizes that, despite his good will—

Mr. Boulanger: Mr. Chairman, on a point of order. I wonder whether an hon. member observes standing orders by using his speaking time talking about provincial politics, whereas he should realize that he is representing national interests, and not those of any political party which paid him a salary for a couple of years.

Mr. Gregoire: Mr. Chairman, I think that my hon. friend's question is innocent. It is up to him to judge and to decide. He does not seem to understand that the discussion is on the economic position of his country, and that the serious problem at this time is unemployment.

(Text):

Mr. Boulanger: On the point of order, Mr. Chairman, I say that the hon. member is speaking about provincial affairs instead of federal affairs. I should like to know if he is in order.

The Chairman: I was relating his comments somewhat to the remarks he made about the diversion of some money from the federal field into the provincial field for the furthering of education. I am inclined perhaps to view this on the basis of the understanding to which we came before we got into this debate to allow pretty wide scope to all hon. members, especially those who are newcomers to the house, many of whom perhaps are making their maiden speeches during this debate. However, I shall pay close attention to what is being said and if I feel an hon. member is transgressing the rule of relevancy to too great an extent, I will intercede.

(Translation):

Mr. Gregoire: Thank you, Mr. Chairman.

The problem of unemployment is evidently the most important one to solve but if the Liberals choose to ignore it—

An hon. Member: So do the Conservatives.

Mr. Gregoire: Mr. Chairman, when it comes to dividing responsibility in that field, we must admit that each level of government has its share of responsibility, but it is up to the federal government to bring about a situation whereby it will be possible for the provinces to discharge their obligations in that field and to assume their share of responsibility.

Therefore, Mr. Chairman, I suggest, as a solution to the unemployment problem, that the federal government rather than pushing our young people into plants and factories guide them to some other fields—

Mr. Dupuis: That comes under provincial jurisdiction.

Mr. Gregoire: Mr. Chairman, in spite of the efforts which must be made in that field, if we stop to consider the number of unemployed in the province of Quebec, we notice that the figure of 90,000 is lower than the number of school teachers who are needed in our province, and we thus realize that the problem of unemployment can be solved. So much for school teaching, but there are many other fields, besides school teaching, towards which our young people can be directed, so that they do not have to face, in 20 years, the problems which our citizens are facing today. I am thinking of town planning, medicine, science, engineering and of many other fields.

If our young people are directed towards other professions, other occupations, we shall then be able to solve the unemployment problem. But each government must do its share, and the share of the federal government must be to give to the provinces, to the municipalities and to the school boards adequate sources of revenue to allow for their development in their respective fields.

For instance, when I think that this year, in September, in my own riding of Lapointe, from 600 to 700 young people have been turned down in high schools, technical schools and colleges—

An hon. Member: That still comes under provincial jurisdiction.

Mr. Gregoire: —because there was no place for them, I believe that if the federal government had set up interest free loans to promote the building of technical schools, high schools—

Mr. Dupuis: What about autonomy?

Mr. Gregoire: —and colleges, there would be 500 or 600 more young men, in my riding, attending these institutions. On the other hand, in 15 years from now there would be from 500 to 600 more Canadian citizens who would be better prepared to earn their living, and who would not have to fear unemployment.

Mr. Chairman, it is said that this matter comes under the jurisdiction of the provincial government, but my personal view is that the problem exists at all levels of government,

and that each government has its part of responsibility. It is up to the federal government—and this is what I have been trying to explain during these last minutes—to create a financial monetary system which would allow other administrative levels to be in a position to build schools, pay their professors, etc.

But, meanwhile, and until our young people will have been directed towards professions having a future, in which they will be able to find their place in this country, until they have been guided towards professions and occupations which will utilize their services later on, I share the view expressed by the hon. member for Davenport. As a matter of fact, among the objectives he enumerated, the hon. member did mention a public works program.

Mr. Chairman, in order to give work to the unemployed who cannot even wait until their children have received the necessary training to prepare them for the future, but who are in need of work right now, I suggest that a vast public works program be set up at once for those who are now unemployed or who are not prepared to face the future.

A public works program comprising the construction of roads, bridges, schools, hospitals, sewers, water mains etc., could be financed by the Bank of Canada, interest free.

The Canadian people could be put to work immediately, and while the unemployed of today will be at work on the expansion and development of the nation, providing it with all its needs, we will prepare adequately the younger generation to face tomorrow.

Mr. Chairman, we should find such a solution. However, we will never succeed in that respect without reforming, first, our monetary system. Let us start by making the necessary changes in order that the government may come to control its money and its credit, and through this control, solve all financial matters and all development matters; thus, we will solve the present crisis.

Mr. Chairman, I would like to refer to an extract from the report of proceedings of the banking and commerce committee for May 5, 1939, when Mr. McGeer questioned Mr. Towers, the then governor of the Bank of Canada. In the light of the questions and answers I will read, you will see what I mean.

This is what I find on page 394 of the proceedings for May 5, 1939:

On your own evidence it is now established that the money of Canada is a creature of the laws of Canada?

[Mr. Gregoire.]

A. Yes.

Q. That parliament does, by enacting laws, provide the means of creating, issuing and, in a measure, controlling and regulating the circulation of Canadian money. That is correct?

A. The amount; hardly the circulation.

And please take note of this, because this is a point I want to emphasize:

Q. Will you tell me why a government endowed with the power to create money should give that power away to a private monopoly and then borrow back that which parliament can create itself at interest to the point of national bankruptcy, because, if we cannot finance the things that are necessary, it means that this nation cannot meet its current obligations. But we will eliminate the question of bankruptcy and leave the question: Why should a government with power to create money borrow that money at interest?

Please notice the answer.

Presumably it does so because it wants to give the people a medium of exchange with which they will be satisfied.

An hon. Member: It is expensive.

Mr. Gregoire: I continue:

Now, speaking of borrowing that money, we realize of course that the amount which is paid provides part of the operating cost of the banks and some interest on deposits.

That was Mr. Towers.

Now, if parliament wants to change the operation of the banking system, then certainly that is within the power of parliament.

Note this carefully:

I put the question to you: If I as an individual—

Mr. McGeer is asking the question.

If I as an individual had the power to create money, do you think that I would ever give that power away and then borrow back that money and pay interest on money which I could create, unless I was a very poor business man indeed?

Note the answer given by the governor of the Bank of Canada.

If you thought it was more profitable and more effective to do so, I dare say you would.

Imagine. Now what about this other question:

If I did that, I would find myself loaded up with unpayable debts.

A. Is your sole vocation, under this assumption, one of creating money?

It is Mr. Towers' turn to ask a question:

Is your sole vocation, under this assumption, one of creating money?

To which Mr. McGeer replies:

Yes, and carrying on my normal activity.

Mr. Chairman, from the replies given by Mr. Towers, it is obvious that the government has the right and the power to change the operation of our money system just as

one can change a word. Since there are not so many words to alter in our present system, such a change could be done gradually, step by step, so as not to upset our whole economy.

When the commission on the banking system in Canada was established in 1940, the liquid reserve of the banks was set at 5 per cent. It was then increased to 8 per cent. Let us change this percentage gradually from 8 per cent to 100 per cent in five, six or seven years from now. Then, at that time, Mr. Chairman, the government will have regained control of money and credit.

We have the choice. Such a solution may displease the chartered banks, but we have to choose between the chartered banks and the people. Some have already made their choice, they have taken the side of the chartered banks and they have been appointed to the boards of chartered banks and there is at least one in this house.

Mr. Chairman, we Social Crediters prefer to side with the people. We have chosen the people because the laws must be made for them. We have decided for the people because they are the wealth and the strength of this country. We leave the chartered banks to those who chose them and we are asking the government to accept our suggestions. That way, it would be much easier to administer the country; if they accept the suggestions we have put before them and make their option for the people instead of the chartered banks, the government will be rid of its present headaches and will be relieved from many problems.

(Text):

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I should like to begin by first pointing out that I and my colleagues in this group are wearing what I am afraid is a rather unattractive vegetable, but it is meant to signify an event which is of great importance to this parliament, that is, the imminent appearance here of Mr. Thomas Douglas, the leader of this party in the House of Commons.

Mr. Langlois: Flattery.

Mr. Cameron (Nanaimo-Cowichan-The Islands): This was not flattery. This was merely reassuring the house that its tone was to be lifted and its intellectual content increased.

Before I proceed with what I intended to say, I wish to say a few words about the speech made by the hon. member who has just taken his seat. I am particularly interested in his views with regard to the creation of money. As a British Columbian I am also specially interested in his quotations from the late lamented "Gerry" McGeer, a very eminent British Columbian who in his later years had some rather odd ideas about money, and who came to Ottawa to promote those ideas.

I am dealing with this because I think it is—shall I say to be polite—a rather simplified version of the situation with regard to the creation of money in our economy, and it is an extremely dangerous thing in our society today.

Mr. Leboe: What about Major Douglas' theory?

Mr. Cameron (Nanaimo-Cowichan-The Islands): You can ask T. C. Douglas about that when he comes to the house. I believe he will be here on November 5. I have some slight knowledge of the nature and functions of money and I have never been able to understand why my good friends in the Social Credit party fail to realize that the commercial banks are an integral part of the machinery by which money is introduced into the economy in this country and that, at the same time, they stand firmly on their purity as free enterprisers and reject strenuously any suggestion that the chartered banks should become part of a nationalized banking system.

Mr. Leboe: That shows how little you know, because that has not been suggested.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I know you do not suggest it; that is just the point I am making. You do not suggest that; but what you suggest, in effect, is that the functions of the present chartered banks should be taken away from them and that in some mysterious way those functions should be performed by the central bank, without having established any complementary institutions throughout the country to take the place of the present chartered banks.

Our hon. friend over here tells us, as though it were a startling revelation, that money is the creature of Canadian statute law. Well, anybody knows that. Anybody has only to read the Bank of Canada Act to know that is the case. When Mr. Towers was suggesting to that committee that if the Canadian parliament wished to change the function of the chartered banks it could do so, he undoubtedly had this in mind, that if you wish to change those functions by depriving them of their present function as part of the money creating facility of this country, then you have to put something in their place. It is very simple for our hon. friends to suggest that the answer to all our problems is to have Mr. Rasminsky set to work in the basement of the Bank of Canada, turning over the printing press.

An hon. Member: No, that was not suggested. That is not so. That is your version.

Mr. Cameron (Nanaimo-Cowichan-The Islands): In effect, Mr. Chairman, that is the suggestion of my hon. friends in the Social Credit party, because they have the mistaken idea that the problem in our society is a lack of purchasing power, rather than a faulty distribution of the purchasing power. Their method of solving the problem is this, very simply; we produce $100 worth of goods, and unfortunately only a certain proportion of that $100 worth of value is distributed in the form of purchasing power that is used for daily living. Therefore, supposing that is ten per cent; we will make another $10; so for every $100 worth of goods we produce another $10, and that will solve our problem.

An hon. Member: That is your version, sir.

Mr. Howard: We would like very much to hear yours.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I listened with very great interest, because I was sharing the platform with him, to the co-leader of your party not long ago in the city of Vancouver.

Mr. Howard: Which co-leader?

Mr. Cameron (Nanaimo-Cowichan-The Islands): The hon. member for Villeneuve.

Mr. Howard: Who is not here at the moment, which is not unusual.

Mr. Cameron (Nanaimo-Cowichan-The Islands): He is absent at present. I do not know whether that is unusual or not. I listened with great interest to him in the city of Vancouver and I was very interested to hear him promulgate this idea as a solution to our economic problems, that every Canadian should be provided with $100. On top of that, in answer to a question he told his audience that the Social Credit party was out to abolish all taxation.

Mr. Chairman, I would suggest that that can only mean this party is advocating wildcat inflation. Certainly that was the impression of everyone who listened to the hon. member for Villeneuve on that occasion. It may be, of course, that his views are not shared by other members of his party; but those were the views he expressed on that occasion. Now, sir, I must ask your forgiveness for perhaps having strayed from the resolutions that are before us today and the matter that is open for discussion.

Mr. Howard: You are not the first.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I am not the first, and I undoubtedly shall not be the last. We are faced with a rather peculiar situation today, Mr. Chairman. We have had budgets and we have had baby budgets and now we have this rather curious exercise in economic review to which I would hesitate to give a name. Perhaps it would be sufficient to say that it was conceived and born in the most distressing and embarrassing circumstances. I will leave it at that. We are asked to assume that the resolutions being presented by the Minister of Finance are in some way connected with the budget that his predecessor presented in the spring. But, Mr. Chairman, this is no longer the spring; this is the fall, and all the bright green leaves of hope that inspired that budget in the spring have withered and fallen to the ground, along with the hopes of the government. In fact, I regret that the Leader of the Opposition is not here, because I know he has a weakness for Shakespearean quotations and I have one which I think fits this situation very well as a description of our government's recent actions:

> Like little wanton boys that swim on bladders, this many summers in a sea of glory.

Now the bladders have been pricked, summer has gone and the glory has departed, and we have been dumped in the cold waters of austerity. Here is the curious thing, Mr. Chairman; having been dumped in these waters, the government now comes to us and suggests that we should take their word for it that the raft they are constructing is seaworthy and that they know where they are going. But they will not let us have a peek at the chart by which they presume to navigate our course. I would suggest, Mr. Chairman, that there is all too much evidence to suggest that the chart they are employing is out of date and that it will lead us, not safely to land but into the very stormy waters of a real depression. Rather like a stern parent admonishing his profligate children, the government has told us that we must tighten our belts, we must all put our shoulders to the wheel, we must all pull together; and yet in the midst of all this clamour of virtue raging rampant, I hear a still, small voice saying, "Whose belt? Whose shoulder gets the muddy end of the wheel?"

If we look at these revised estimates that have come before the house, we find out. We find out that the group of people which has always been subjected to savage belt tightening by governments that get into financial difficulties are the ones who are going to take the rap in the first place, the civil service. I have noticed in the course of having sat opposite governments of almost every complexion, and even some that had a mottled complexion, being coalition, that they are very fond on occasion of protesting their great devotion to the principles of the

sanctity of contracts. But I have also noticed something else, that it all depends on the economic status of the person with whom the contract is drawn just how much sanctity that contract has. The higher up you go, the more sacred it is; the lower down you go, the less sacred. And when you come to people in the unfortunate position of civil servants, who not only are low on the economic totem pole but also have been denied any opportunity to have a written contract, then of course they are the ones whose belts we logically tighten as ruthlessly as possible.

Then they do some other things. I noticed this in these estimates, and I heard a great deal of wailing and gnashing of teeth in the corridors of parliament, when members compared the revised estimates with the original ones, over the cuts in public works throughout the country. My own gnashing was perhaps as loud and noisy as anyone's, because the cuts have been perhaps as severe in my constituency as anywhere. Yet while I regret from a local point of view the failure to provide needed facilities, I am still more disturbed by the fact that the government considers it is helping to solve our economic problems by adding to the unemployment problem this winter. I very much doubt whether on even a strictly financial basis these cuts in public expenditure will show a profit to this government. I think that when we add up all the items on the wrong side of the ledger—the additional unemployment insurance which would have to be provided, the social assistance which will have to be provided by provincial and municipal governments for people who cannot get employment —we shall find that they easily out-balance any savings which may have been made, and this without considering the encouragement which well directed government expenditures can give to private enterprise in the same area.

Another cut which was to my mind not only disastrous economically but shocking from the viewpoint of national morality was the cut of nearly 75 per cent, or more than $8 million, in the Colombo plan appropriation. This appears to me as another instance of the shortsightedness of this government—its belief that the only way to solve the problem is to cut down expenditure. For the benefit of those who take the position that we should look after ourselves before we look after others—and I have heard such a view expressed here in this chamber—I would point out that every dollar made available under the Colombo plan has to be spent on Canadian goods provided by Canadian workers. This cut is, in the first instance, another blow to the economy of this country; another blow to employment prospects this winter. Furthermore, this meagre saving deals a blow to Canada's prestige in the world. Our reputation for generosity in the world is not very well founded at the best of times. Our aid under the Colombo plan and through other international agencies has been meagre, to say the least. This cut, I say, is mean, stupid and ineffective.

We hear a great deal about the cuts made in defence spending, and I am aware that to speak on the question of defence spending in the shadow of recent events may be very incautious. Nevertheless, I propose to do this. I propose to do it for this reason: that if there is anything which has been proven by the recent crisis in the Caribbean it is Canada's complete irrelevance in a military sense. The government has made great play with the fact that it has cut defence spending by $85 million, or some 5 per cent. Well, $85 million seems a lot of money, and it is a great deal of money, and would be to you and me. But $85 million seen in the context of the $1,600 million that we still propose to spend on defence is reduced to the status of small change.

Every year since I first sat in this chamber some nine years ago, we have been spending in the neighbourhood of between $1,600 million and $1,700 million on defence—at least, that is what we have been told we were spending it on—and I have listened to successive ministers of defence—four of them, if I remember correctly—not one of whom was ever able to make out a case which indicated that this expenditure contributed in any way to the defence of Canada. Not only that, but we have been bombarded continuously by the reports of qualified scientists and even military men stressing the fact that today there is literally no defence. I suggest to you, Mr. Chairman, that the sooner Canada faces this fact, the sooner we forget these vast expenditures on defence and begin directing these efforts in other directions, the better it will be for us all. I repeat: if anything has been proven by the Cuban crisis, it is that Canada, the next door neighbour to the United States, has not even been approached to make any contribution toward the solving of this crisis. We have been shown to be completely irrelevant. Someone described us once as militarily obsolete. I suggest that rather than cut down expenditure on useful services and useful works within our country, rather than cut down contributions to the Colombo plan which, incidentally, provides work for our people here in Canada, we should be seeking ways in which to reduce these staggering defence expenditures.

I have been suspicious of these expenditures ever since an occasion in this chamber when I happened to notice that for two years

in succession exactly the same total amount was being sought for defence spending—the same amount to the last nickel. But here was the curious thing: the sub-totals making up that total were altogether different in the two years. Something had been taken from this and put into that, which indicated clearly to me that the defence appropriation was not based on any calculation of our supposed defence requirements, but rather on the assumption that this was the amount of money we had to spend, and which we intended to spend—"You boys decide how it is going to be divided". That is why I have been suspicious of these defence estimates ever since.

It might be said that while it is true that we in Canada cannot defend our shores in the modern world, nevertheless by pooling resources with others we can at least help to defend the North American continent. Again, I would point out that this does not seem to have been the case in the present crisis; we have not been called upon to aid our neighbour in this situation. I would suggest strongly both to this government and to the Leader of the Opposition that a 5 per cent cut in defence spending will not go very far, even in the shadow of the Cuban crisis, however long or short that may be, toward assuaging the misgivings of a large and growing number of Canadians who have become convinced that our defence program is nothing but a vast, elaborate and expensive hoax.

We have, I think, to look further behind the economic scene to understand the actions of the government as revealed in the revised estimates. We have to consider what were the causes of the action taken by the government. What had taken place to make them suddenly decide that we had passed out of the glorious summer and moved into winter? I might digress for a few moments and remark on how entertained I was the other day by the performance—and an excellent performance it was—put on for our benefit by the hon. member for St. Lawrence-St. George and by the Minister of Finance. I thought there was something appropriate in the fact that the hon. member representing St. George should have sallied into the lists to defeat the dragon. I was much impressed with the poise, the aplomb and the clarity with which he presented his case for the production of information regarding exchange transactions. As a very provincial British Columbian, I took some satisfaction from this further demonstration of the intellectually stimulating effect of having been reared on the western slopes of the Rocky mountains.

As I say, I was very much impressed by the hon. member's clarity, precision and aplomb, and I could not fail to say that I was also very impressed with the performance of our Minister of Finance. One could not help but admire the skill, ease, celerity and grace with which he pirouetted around awkward corners, and the very great timing and sense of theatre that told him the exact moment to twitch the rug from underneath St. George. But however entertaining it was—and it was entertaining—I should say that perhaps the most amusing feature was that St. George was quite sure that he was going into the lists against a reluctant dragon, and lo and behold it turned out to be the good old-fashioned fire-breathing dragon which one sees right off the stage at children's pantomines, papier mâche tail and all. But his performance was one which had much more significance than the actual case in point. It had significance in this way. It showed a preoccupation, or an apparent preoccupation, on the part of both the Liberal opposition and the Conservative government with symptoms rather than causes. The idea at that time seemed to be that this crisis in exchange was something which could be regarded in isolation, something which could be cured by some monetary specific, without reference to the economic framework in which it had taken place.

Mr. Stewart: Oh, nonsense.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I hear someone say "Oh, nonsense".

Mr. Stewart: That is right.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Then I would suggest this, that there seems to me to have been no other reason for the official opposition to have based almost all of its attack on the government in the first week of this session on this one point of the foreign exchange situation in Canada, and on whether or not the government knew about it.

Mr. Chairman, at this time I should like to say this, and I trust that my hon. friend, the hon. member for Bonavista-Twillingate, will not consider me too cynical. I suggest that if this government did know of a foreign exchange crisis before the election, and if it did conceal that knowledge, then it would certainly be acting in the traditions of Canadian governments. If it had failed to hide that knowledge, it would have been unique in governments in Canada, and I think that everyone in this chamber is well aware of that. But again, it was a striking thing that throughout the first week of the session the whole attack upon the government and the whole defence of the government was on the

one point as to whether or not the government had known of this foreign exchange crisis and concealed it from the people of Canada.

I suggest that the foreign exchange crisis was merely a symptom. It was a symptom of the course of events which started long, long ago. Incidentally, it started, for the benefit of the hon. member for Davenport, long before 1957, which I know is the sort of cut-off date, the date which divides heaven from hell. Nevertheless, statistics will show us that the train of events which finally culminated in this exchange crisis was set in motion long before that date. I suppose that one might say it was set in motion right after the end of the second world war. We can see the steady distortion of the Canadian economy which began to take place some 15 years ago if we examine the figures for private business investment for those years. We would find that there was a mad boom of investments in certain sectors of the economy during that period, investment which was designed to promote the production of certain goods for export, in the main raw and semi-manufactured materials. These seemed to be profitable fields, and that is where investment rushed. There was no attempt on the part of governments of that day to issue any words of warning.

The compulsions of this type of production produced some other effects. It produced, of course, the effect of creating a very grave imbalance in our international trade. It created a situation where we became more and more dependent upon imports for the materials of our daily living, and it created some other situations too. It created a situation whereby foreign capital came to Canada in the form of equity capital in large amounts, and was welcomed by the government of the day because it helped to solve this problem of the imbalance of payments. The exchange crisis took place later and was, of course, in large measure due to the fact that this inflow of foreign capital had begun to be reduced quite drastically.

I would point out, sir, that this impasse which we have reached has been largely the result of a misconception of the purposes of export trade. It is a misconception that I think was very well exemplified not long before I left my home to come here, when I was at a club luncheon. I do not often get invited to them, but in a moment of weakness an invitation was extended to me to listen, as a matter of fact, to the then minister of finance. Sitting across the table from me at that luncheon was a man connected with the oil industry. He was being subjected to quite a lot of ribbing by the rest of the people at the table over the recent increase in the price of gasoline and was being asked why it had been necessary to soak the customers a little more. Finally, after having been sort of "chivvied" around, he came out with this rather extraordinary explanation. He said: "Well, the trouble, of course, is that we have got too much oil". I gnawed rather hastily at my service club chicken, and then I asked him whether that applied to other things as well. He thought it did. He said: "We have too much timber, too much minerals; in fact, we have too much of everything", and that was the cause of our poverty. Now, on the face of it this seems absurd, but actually, from his point of view, it was strictly common sense. Because his point of view, Mr. Chairman, was that the only purpose and value of natural resources is for someone or for some group to make money out of them, and it is very difficult to make money out of commodities which are in very plentiful supply.

This is the approach that one hears repeatedly. We have to export these goods because we have got them, because we have enormous resources in oil, because we have enormous resources in timber, because we have enormous resources in minerals. We have to make every effort to develop them now, to get rid of them now where we can at any cost. I suggest that there is only one purpose, from the point of view of the ordinary Canadian citizen and of the Canadian economy as a whole, of exports, and that is to supplement the living standards of the Canadian people, to fill in the gaps in our own production, to fill in the gaps in our structure that it is either impossible, difficult or too costly for us to develop.

We have been travelling a long way along this road of depending on the exports of a few commodities in order to solve our problems. I have been interested to note the intentions apparently of this government and of the official opposition with regard to solving our problems. Having in mind that this has been the pattern of investment over the last 15 years, a pattern of investment which has created this distortion, I was interested to find, in the speech from the throne and in the submission of the Minister of Finance as far as the government was concerned, that they considered the solution to this problem was to offer incentives to business in order to speed up investment.

I was also interested to hear the hon. member for Davenport yesterday advance the same theory, namely that what is required are incentives to business to invest more. I am interested in that theory. I am surprised that the hon. member for Davenport should advance this theory as one of his solutions to our problem. Surely he must

have read the history of investment in Canada over the last few years. Surely he must have realized that during that period from the early 50's up to 1957—and in 1957 it tapered off—when we had booming investment that has proved in the end to be somewhat dislocating to our economy, to say the least, the tax burden was at least as onerous as it is now, if not more onerous. In fact, I would suggest that it is considerably less onerous now than it was on that occasion.

It is obvious that tax incentives are not the means by which investment is going to be encouraged. During that period when we had the booming investment we find that we had at the same time a situation in which the taxation of the period was considerably greater than it is now. In 1953 and 1954 we were taxing corporations at the rate of 20 per cent on the first $20,000 of taxable income and 47 per cent on the excess over $20,000 taxable income. This was during the period when we had booming investment and, I might say, unplanned rather headlong investment. When we come to 1959, 1960 and 1961, what we do find? We find that in 1959 and 1960 the taxation burden of the corporations is only 21 per cent on the first $25,000 and 50 per cent on the excess over $25,000; and that in 1961 it is 21 per cent on the first $35,000 and 50 per cent on the excess over $35,000 of taxable income. In that period when we had booming investment a corporation having taxable income of $50,000 paid at that time some $18,500 in corporation tax or income tax. In the period in which we are now, a company having taxable income of $50,000 will pay only slightly over $14,000. I suggest this is proof enough that the answer to our problem is not to offer tax incentives to corporations. They were not required in that period when we had booming expansion.

As a matter of fact, the whole idea that corporations are not investing because they are short of funds is knocked on the head when we consult the dominion bureau of statistics for the business gross savings that have been taking place, and they have been going up steadily throughout the whole of this period. It is not shortage of funds that has prevented investment. It has been shortage of demand or shortage of the expectation of demand. I make that distinction. Very obviously in the period of booming investment the expectations of profit were ill founded, as we immediately had a vast over expansion in various sectors of the economy; and that was done when the tax burden was much heavier than it is now. Yet this government and the official opposition feel that the answer to our problem is to hold out more carrots to the reluctant donkey in order to persuade business to invest when business already has many carrots in its own pocket. I suggest that you are not going to persuade them to invest merely by giving them tax incentives and that it will be necessary to create some other condition of demand that will cause the investment to be made.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

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

PRIVATE BILL

CANADIAN PACIFIC RAILWAY COMPANY

Mr. J. N. Ormiston (Melville) moved the second reading of Bill No. S-4, respecting Canadian Pacific Railway Company.

He said: Mr. Speaker, the purpose of this bill is to grant authority to the Canadian Pacific Railway to build a branch line in the province of Saskatchewan from the town of Bredenbury to the site of the International Minerals and Chemical Corporation (Canada) Limited plant at Esterhazy.

Before discussing the need for the line I should like to give some brief information regarding the industry which this branch line will serve. I have before me an excerpt from *Business Week* of July 21, of this year, in which there is a glaring headline which reads as follows: "Prairie province goes wild over potash". Under it there are three pages of enthusiastic comment on the formation of the potash industry; and the development has caught the imaginations not only of people in Saskatchewan but of those in other places.

In the Esterhazy area of Saskatchewan, in the southeastern part of the province, the I.M.C. has invested over $40 million in a potash mine and mill which, when in full production, will produce over one million tons of potash per year and will be the largest potash mine in the world.

The company is a fully owned Canadian subsidiary of a United States corporation. This is the classic type of investment we like to see in Canada. While the capital investment is American, the staff is Canadian and, whenever procurable, Canadian material is used.

The total value of the product will range from $22 million to $25 million a year, of which 50 per cent to 60 per cent could be exported overseas, mainly to the Orient. At present the I.M.C. officials see their market as 40 per cent to Japan, 15 per cent to eastern Canada and the remainder to the United States. This same industry has brought smaller complementary industries to the area besides quite a large inflow of rail tonnage which serves the industry itself.

Experts believe that within the next decade the production of the potash industry in Saskatchewan could increase in capacity to become the second industry next to wheat. That is, the dollar value of the product could be greater than oil and petroleum products. The development of this industry is dependent upon an efficient and low cost rail transportation. Although presently served by a spur from the Canadian National, the International Minerals and Chemical Corporation wishes the facilities of both railroads in order that the fullest and best distribution of their product is assured.

Being served by the Canadian Pacific will ensure maximum rail coverage to the country. In the event of the destruction of one line by physical and natural causes, other lines would be available. The equipment of both lines is needed for the most practical method of handling potash. The ideal carrier for the product is the covered hopper car and the supply of this type of car cannot be met even by the combined stock of both the Canadian Pacific and the Canadian National.

The Canadian Pacific branch line from Bredenbury is 15½ miles long and the right of way has been acquired and surveyed. The cost of the line is estimated to be in the neighbourhood of $680,000. Over 80 men will be employed and it is hoped to complete this line in about six weeks. The branch line connects with the Canadian Pacific line between Saskatoon and Winnipeg on which there is a daily freight service. Additional staff, however, would be required at Bredenbury which is the divisional point on the line just mentioned.

The revenue collected by the railways as the result of the potash development is presently estimated in excess of $10 million. These rail facilities will be required for years to come since International Minerals and Chemical Corporation rates its ore deposits as adequate for 200 years at full mine and mill capacity. This company has 200,000 acres under lease and four other companies have 200,000 under permit, so further activity is expected. The Canadian Pacific is anxious to complete the branch line before the weather becomes too inclement and the co-operation of all parties in the house would be appreciated to expedite the passage of this bill.

Hon. Lionel Chevrier (Laurier): I have listened with interest to the remarks made by the hon. member for Melville. This is a branch line which the Canadian Pacific Railway seeks to construct and is, apart from the reasons given by the hon. member, one of those lines which comes before the house for approval. Having listened to the hon. member, I am impressed by one or two matters that cannot help striking those of us who sit here.

In the first place, the line is a short one of 15.5 miles. The cost of it is not exorbitant, at about $600,000. It is being sought in order to develop, logically, a potash plant which has been under construction or is about completed in the province of Saskatchewan. But what I think is extraordinary and perhaps very fascinating about this line, is the manner in which the potash was discovered. I think the company, the International Minerals and Chemical Corporation deserves a great deal of credit for the effort and expense to which it has gone in finding these deposits. These deposits were, so I am informed, 3,200 feet under the surface of the earth. Because of the geological formation, it was extremely expensive and difficult to reach the deposits. These people who have spent, as I am informed by the hon. gentleman, some $40 million to find the deposits deserve, in our opinion, every bit of help, assistance and consideration that can be given under these circumstances.

There is one point that impresses me, or at least affects the opposition, and it is the fact that Canadian National Railways have a line in that area. The hon. member for Melville has stated that this line is being sought on behalf of the Canadian Pacific Railway because there is not a sufficient number of covered hopper cars, and no matter whether the two lines are there, there will even then not be a sufficient number of covered hopper cars to meet the production of potash planned. This being the case, if it is accurate—and I presume that it is the intention of the hon. member to see that this bill goes to the committee on railways, canals and telegraph lines so that evidence can be given to that effect—then I am sure everyone in the House of Commons would want to be sure there is no unnecessary duplication. I am not suggesting for a moment there is. From information which I have it would appear there is not, but none the less I am sure the house would want this point carefully looked into by the committee.

There is, too, another matter which impresses me and it is what the hon. member has read from the newspaper concerning this development: "Prairie province goes wild over potash". Well it may. This is an extraordinary deposit which will mean, when the plant will have reached its full capacity, that this will be one of the largest mines of this character in the world. I am sure the house, and all of those who sit here, will be delighted to know that these deposits are being found in the province of Saskatchewan

where the main industry is wheat, and more recently it has been oil. Now, there is being found potash which will add tremendously to the economy of the province as well as to the national well-being.

I think the fact that much of this mineral will be exported is also a good thing for the economy of Canada. On the whole, therefore, we on this side of the house will support the measure that my friend is proposing, on condition of course, and I wish the hon. member would give that assurance, that the bill will go to the committee where it will receive the usual careful consideration.

May I ask the hon. member if it is the intention to move that the bill be sent to committee?

Mr. Speaker: Order; regardless of the hon. member's assurance, undertaking or what have you, standing order 105 directs that the bill shall go to that committee.

Mr. Bert Leboe (Cariboo): Mr. Speaker, in rising to speak for just a moment about the bill before us, I should like first of all to say that we are very pleased that this business is coming to the province of Saskatchewan. While we notice there is foreign money being invested in the province of Saskatchewan, we must realize that any additional flow of money in that direction would increase the living standards of the people in the province.

We are very pleased to see some permanent industry in Saskatchewan. I understand it will last for 200 years, and I am sure I shall not be around to see when the potash is exhausted.

An hon. Member: You are not ambitious.

Mr. Leboe: Oh, I have a little bit of ambition to live as long as I can in this good old world, in spite of all its shortcomings.

There is a short paragraph in the speech from the throne, something like five lines, which in effect says that we are going to make Canada a favourable country for foreign investment. If we believe that, then this is one opportunity to assist and make it possible.

I might add that this is a change from the continual requests by railroads for permission to abandon lines. We must recognize that there are changing patterns in railroading so far as the movement of freight is concerned. The smaller articles for short hauls are being taken over by the trucking industry, and more and more we are finding that the Canadian National, Canadian Pacific and other railways are being confined to the hauling of carload lots over long distances.

I can see a great advantage in the present bill allowing for freight competition for such a short stem of railroad. It means that we shall get a better freight rate. This is something I am particularly conscious of, because in the Cariboo there are places where there is no competition from trucks and thus we meet adverse conditions so far as freight rates are concerned.

We also know that in the province of Alberta we have a joint operation by Canadian National and Canadian Pacific Railways of the line running north from Edmonton, and this demonstrates that they are willing to co-operate where of necessity it is in the best interests of the Canadian people. Bearing that example and other things in mind we certainly wish to support this bill and hope it will have speedy passage.

Mr. T. S. Barnett (Comox-Alberni): I have no desire to prolong unnecessarily the debate on this bill. I simply wish to say that having listened to the speech made by the hon. member who introduced it and to the discussion that followed, I and my colleagues are quite happy to support it on the second reading and we shall see it gets proper scrutiny in the committee when it reaches that stage.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

EXCHEQUER COURT

EXTENSION OF JURISDICTION TO INCLUDE DIVORCE

Mr. Arnold Peters (Timiskaming) moved the second reading of Bill No. C-8, respecting the jurisdiction of the Exchequer Court of Canada.

He said: Mr. Speaker, this is not a new bill. It has been introduced previously, and I have allowed it to stand on several occasions because it was my hope that either the government or a member of the other house would introduce a bill which would find favour with the government of the day and would obtain the support of this house. This does not mean that in my introducing the bill I find anything in it which would not commend itself to the support of individual hon. members, but I had hoped because of the discussion which took place late last session that something might be done about this matter other than through a bill such as this. We have waited, but nothing has happened. Now the matter is crucial for six or seven hundred people in the province of Quebec, and for that reason I believe a discussion on it at this time can be of some value.

The explanatory note accompanying the bill points out that marriages can only be dissolved by a private act of parliament for residents in the province of Quebec and in the province of Newfoundland. By the terms

of the bill I suggest that rather than using the method now in use, namely the presenting of petitions to parliament, that these be directed to the exchequer court.

During the last two or three years discussions have taken place on individual divorce bills. As a result, in some cases information has been given to the Minister of Justice and to the provincial ministers of justice and attorneys general, which in turn has had particular results. Most hon. members will remember that late last year a flagrant disregard for the rules of normal court procedure by detectives in the city of Montreal was brought to the attention of the Minister of Justice. This resulted in one court case, and a sentence which I believe was fully justified. I mention this because it pinpoints some of the problems we are faced with in parliament in our handling of divorces. There are other reasons why the procedure should be changed.

Many church organizations have discussed the problem and most of them, together with the majority of the leading editorial writers in Canada, have deplored the use of parliament in handling this particular work. I believe most of them have agreed that work being done in the other place in other fields is of great importance. I only cite its work in the field of manpower and resources. These people believe that is the type of work the other place should be engaged in, and that its responsibilities with regard to divorce should be turned over to people better able to handle them.

Why is parliament not the place to handle divorce? Many years ago when divorce was a very simple matter, when there were not very many divorces and the population of Canada was not very large, it was possible to petition parliament in continuance of the British practice of petitioning the Queen or parliament and seeking relief for any particular purpose that a petitioner might have in mind. Over the years this procedure in Canada has reached the stage when it is now almost entirely devoted to the matter of divorce in two particular provinces, and seldom if ever is a petition received for any other purpose, in a legal sense.

Mr. McCleave: There are about ten a year. The C.P.R. bill is an example.

Mr. Peters: Yes. There is the procedure of presenting public bills in the names of private members which enters into this particular field; but there are good reasons why we should take a very close look at the problem. Parliament sits seven or eight months, and sometimes longer, each year. During that length of time a great deal of business must be transacted and, if we were to handle more than the 40 or 50 public bills that normally come before parliament, and were to add to them some 200, 300 or 500 private members bills and give them the scrutiny given to other bills, parliament would go on perpetually. There would be no end to a session, or if there were, it would have to be an arbitrarily decided end, because we would never complete the work that had to be done.

There is no machinery for this very important duty that must be provided on behalf of a private citizen. There is no machinery to handle these matters. There is no method of controlling perjury. There is no method of giving detailed consideration to the needs of the individual concerned. There is no machinery to control the other offences that are sometimes mentioned as having been committed in relation to many of the bills which have been passed in days gone by. Too often charges of perjury, connivance and collusion have been levelled at particular bills presentated to parliament. There is no machinery for examining whether these charges are true.

I think some of the new members will be interested to know that a charge was made publicly—and I think it was supported by all members of this house, as well as all the major newspapers which covered the case—in connection with a case a year or two ago. In that particular case nothing, to my knowledge, has ever been done because there is no machinery for handling this particular problem. While it is true that this falls within the jurisdiction of the Minister of Justice and Attorney General of Canada (Mr. Fleming), the field as set out is not sufficient to allow us to act and give the protection that is due to the people who bring their problems before us.

There are a number of other things that parliament cannot do. The question of our detention facilities has arisen in parliament since I have been here, when some consideration was given to detaining certain people for offences committed before the committee handling these particular cases. The question is, where do you put them? In Canada the tower is pretty well out of date. It is true that we may be able to use the local hoosegow, but this would be asking the municipality or the county in which we are situated to handle something that is none of their business. Also, I doubt whether we are in a position to even finance the detention of people under these circumstances. We have not any proper facilities.

In addition, Mr. Speaker, we have not the right to assess costs and no right to establish the terms of settlement when there is financial difficulty. We have no right to go into the major problem of the custody of children.

While it may be argued in parliament that custody belongs to the provinces, I think that if this question is to come before a federal court the problem may be resolved as an issue regarding the terms of the British North America Act, which has made matrimony and divorce a federal matter.

Mr. Speaker, another very important problem that affects sociologists is the question of reconciliation, the ability of trained personnel to act in solving the differences that are sometimes solvable; that is, by those people who are capable of understanding the many things behind divorce before adultery becomes the issue. We in parliament are not in a position to do these things. For this reason the court is a necessity, if we are to give to the individual the rights that I believe are his and which should be of prime importance to this parliament.

Also, Mr. Speaker, we have no right to decide on the taxation of costs in relation to lawyers, detectives, bailiffs and agents concerned in these cases. It has always surprised me to learn what immense fees some of these individuals are getting, when we can do nothing about this. If they are before a court, I am told the court looks after its own affairs and the lawyers and others appearing before it are subject to the rules, regulations and decisions of the court.

Why should it be before a court? Mr. Speaker, one of the fundamental rights of justice is the right of appeal, and any case brought before parliament is not, in my opinion, subject to appeal. It is quite true that if these cases are handled in the Senate and are later discussed and handled in the House of Commons and receive the scrutiny that they must and should receive, then there is some consideration being given in this matter of appeal. It is quite true, also, that some of these cases have been found to be fraudulent and a great miscarriage of justice has been prevented by both houses. But it seems to me that the right that should be fundamental is not granted in this particular procedure. I believe this is something all hon. members would be very anxious to provide for everyone.

Also, in connection with the question, why should it be in a court, I believe each individual accused before the court should have the right of cross-examination. We have found too often here that the right of cross-examination is denied because of our use of affidavit evidence. It seems very difficult to accuse a person by affidavit and then prohibit or eliminate the right of cross-examination through the use of this type of evidence.

Finally, we offer no decree. Our decision in parliament, if the bill is passed, is final; there is no interim decree, or decree nisi; there is no decree absolute. When the decision is made here, there is no getting away from that particular fact. A court will provide, first, the protection of the court and the other things I have mentioned. Second, a court will provide all the necessary machinery for the proper, legal handling of the individual's problems. Third, a court has the trained personnel to handle the problems that come before it, and it has the knowledge and ability to act and perform in a legal manner. Fourth, courts in the main have a reasonable method of taxation and the rates charged are, because they are subject to review by the court, more often reasonable than we find to be the case in connection with people appearing before parliament. Fifth, lawyers themselves who engage in all types of malpractice before the House of Commons and the Senate would be subject to discipline by their own associations and the association of the court, if they were before a court. They would be called before the bar of the court and their provincial bars, and would have to answer to those bodies. People appearing before the federal parliament are not, to my knowledge, under the jurisdiction of their provincial bar associations.

Mr. McCleave: Indeed they are.

Mr. Peters: Perhaps they are. If they are, there is something wrong with some of the associations. Then the question, Mr. Speaker, is, why the exchequer court? I think it is important that we should decide which court we are going to use and why we should use that particular court. The exchequer court has all the advantages of a competent court. It has a good reputation; it is a well recognized court and there are very skilled and highly trained personnel attached to it.

Second, Mr. Speaker, the exchequer court has the right to travel. It has this right, which is restricted in my bill, because we do not want to force on provinces the acceptance of a court until they wish it. The bill could be very easily amended to include this right when the province is ready to accept the facilities being offered. The court could then travel to that particular province. This facility would only be granted when the province expressed its desire to have such a court. Third, the exchequer court is the obvious avenue through which there is the right of appeal to the supreme court. This would allow the decisions made to be appealed, if so desired by the individual, and the machinery is already available to allow for appeal.

The exchequer court comes under federal jurisdiction. This will allow parliament, when it sees fit, and when the Canadian people are ready to accept changes in the grounds for

divorce and other similar changes in the social sphere, to make amendments in the court's procedure. I believe these things are reasonable. We all remember the heat which was generated last year on this subject. We all know the things which were said, and we all know that at the end of each session of the last parliament a genuine attempt was made by many members of the house to solve this vexing problem.

I offer this bill today hoping that the government will give it consideration. If they wish to take the bill up, I would be happy to relinquish any claim I have to it. It is a simple bill and it asks for very little. I see some hon. members smiling; they do not think this will happen. I suggest to them that the government will have to solve this problem; it will have to reach a solution. I will see that they have to solve it. I offer this bill as a solution. The problem could be solved in a much more difficult way, but hardly in an easier or more acceptable manner. Finally, I hope hon. members will give sympathetic consideration to this measure. Even if they do not pass it, I trust they will give it speedy attention.

Mr. G. W. Baldwin (Parliamentary Secretary to the Prime Minister): Listening to the hon. member, I recalled that this is not, as he said, the first time on which he has introduced a measure such as the one which is now before us for consideration. I recall, too, that I also spoke upon it on a previous occasion.

A large part of what the hon. member said was an attempt to make a reasoned argument that we in this house should no longer have before us for consideration the various divorce bills he mentioned. I said on a previous occasion, and I still feel the same way, that I am not entirely unsympathetic to that point of view. On the other hand I do feel strongly that this parliament is in effect the court of last resort; if there are people in this country who have injustices, as they may think, to remedy, and if there is no other place to which they can turn for action then, of course, they should always have the right to come to parliament. Anything which the hon. member has said must, I think, be viewed in that light.

I propose to direct the few remarks I have to make to the bill itself. I assume that in seeking to invoke the exchequer court as an instrument for dissolving marriages in certain circumstances, the hon. member is founding his proposed measure on section 101 of the British North America Act which says, in part, that the parliament of Canada may from time to time provide for the establishment of any additional courts for the better administration of the laws of Canada. I emphasize those words "the laws of Canada" because I think what I have to say is based upon that phrase. In connection with my argument I should also point out that the bill seeks to clothe the exchequer court with jurisdiction to dissolve marriages, and stops there. In my experience of these matters the most difficult part of the whole problem concerns future financial arrangements and, more important than anything else, the custody of the children who, too often, are the innocent victims of divorce proceedings.

When I spoke on this subject on the last occasion I pointed out to the hon. member that, as I saw it, there were certain legal obstacles placed before his attempt to give the exchequer court the type of jurisdiction he suggests it should have. For the life of me, I cannot see how the exchequer court could in any circumstances have jurisdiction either to provide for alimony or maintenance or to provide for the custody of children. It is not a case of an order being made and settled once and for all. Provincial courts, under orders known as decrees nisi, provide for either party to apply from time to time, as they may be advised, with regard to the question of custody when custody has been awarded to one party or another. Circumstances change. The financial or marital situation of the parties can alter and it may well be that the court might decide that the custody of the children should be awarded differently.

I suggest that the limitations which are placed in the way of the hon. member's bill to give the exchequer court jurisdiction with regard to the dissolution of marriages will not allow his measure to go far enough to deal with the care and custody of children. This would mean that the children, or those representing them, would be forced back to another court, a provincial court, where the appropriate orders could be made from time to time as considered necessary. In my opinion this seems to be an absolute barrier in the way of this particular bill.

As I have said, I am not entirely unsympathetic to the hon. member's intention. It may well be that he has himself given some consideration to the point I have raised, and he may be able to provide an answer. Until he does, I must say that in my opinion the measure before us cannot provide that full and complete relief which must be available when a court makes an adjudication upon the matrimonial rights of parties to a marriage.

Mr. Macdonald (Rosedale): Would the hon. member who has just spoken permit a question? Would he advise the house and, particularly, this member, what arrangements are now made with respect to divorces over

which this parliament has jurisdiction in connection with custody, financial arrangements and so on?

Mr. Peters: None.

Mr. Baldwin: The only answer I can give is that in some cases when these matters came up from the province of Quebec, although this parliament can, by an act, declare the marriage dissolved, the parties have to go back to the provincial courts for these questions to be decided. I think that is one of the things the hon. member for Timiskaming has been complaining about.

Mr. Peters: Before the hon. member sits down, could I ask a question?

Mr. Speaker: I see the hon. member wishes to ask a question. I was about to say that if he was rising to speak, or answer, he might be closing the debate.

Mr. Peters: I would like to do that, too, but I wish to ask a question now. I see that this is a legal problem. The hon. member is closer to the government than I am, and I wonder whether he would care to ask the government whether this particular section of the British North America Act might not be referred to the supreme court for a decision on this important point.

Mr. Baldwin: I think that goes somewhat beyond this subject of the dissolution of marriage, and I do not think I am able to deal with that question at the present time. Perhaps an hon. member who follows me may be able to take it up.

(Translation):

Mr. Bernard Dumont (Bellechasse): Mr. Chairman, kindly allow me, in view of the fact that you were not in the chair when I made my first speech in this house, to congratulate you sincerely upon your appointment. When I went through Edmonton, I was far from thinking that there were men of such quality there, and allow me to add that if you were a Social Crediter, you would have all the qualities a man can have.

With regard to the bill under consideration, we in the catholic province of Quebec consider divorce as a rotten fruit that can only spoil everything with which it comes into contact; it is like trying to make theft legal.

Divorce recognized by law is legalized adultery; it is a law allowing a man to steal another man's wife.

Allow me to add that divorce, at the present time, which allows childless marriages, would result in empty homes.

In two reform schools in the United States, almost three quarters of the children there came from homes broken up by divorce.

[Mr. Macdonald (Rosedale).]

In the administration of justice in the United States, at the present time, there is nothing as rotten as this divorce procedure. So, the one thing we, Roman catholics in Quebec, see now is that the way people want divorce cases to be dealt with cannot but allow divorce to spread. Each time we study these problems, we consider the difficulties brought about by legislation and we can realize that divorce is something that must be stopped, curtailed, by examining each case.

If, at the present time, the central government wishes to legislate in matters under provincial jurisdiction, such as health, pensions, roads, agriculture, transport, finance, education, fisheries, then the only thing we, in Quebec, ask in return is that the British North America Act be amended to enable Quebec to legislate on this divorce question.

Never will we accept the idea that Ottawa can come and thrust its opinion respecting divorce on the provinces of Quebec and Newfoundland, the only two without divorce courts at the present time.

Let the British North America Act be amended and let us allow the governments of Catholic provinces, at the present time, to legislate in this field, since there are exceptional cases as permitted by the church, we agree on that, despite the indissolubility of marriage which was accepted by our ancestors and still is by ourselves.

The church, sometimes in agreement with the state, allows, in extreme cases, separation *a mensa et thoro*.

In the administration of justice, nothing compares with this putrid procedure they have now in the United States.

If we authorize the Exchequer Court of Canada to hand down judgments in divorce cases, we shall witness dramatic incidents like the one that happened recently in the case of Marilyn Monroe, which intimates too much about a life where one can change husbands as often as one can change clothes.

In the United States, a divorce is granted every minute and such legislation is equivalent to making theft legal.

Therefore, what we are asking for in Quebec and the only thing we can accept is an amendment to the British North America Act which will permit the court of the province of Quebec to legislate in matters of divorce, should we come to the conclusion that Ottawa has too much to deal with. That is the only point on which we shall yield.

Mr. Frank Howard (Skeena): Mr. Speaker, I had not originally intended to comment on or speak to this particular bill, but the reference to this particular matter and some of its effects made by the hon. member who has just taken his seat has prompted me to make a comment about what he said with respect to this bill. I think the hon. member for Bellechasse (Mr. Dumont), in his unguarded remarks, showed to the floor and to the public what is the general attitude of his own party with respect to minority rights. Obviously his party has no respect whatever for minority rights.

Mr. Gregoire: Look at your own party first.

Mr. Dumont: Do you want to sanctify marriage?

Mr. Howard: If my hon. friend wants to engage in debate, I am sure he knows how to do it in a proper manner; he exhibited that this afternoon. If the hon. member for Bellechasse has an honest and forthright attitude with respect to this question of divorce, I am sure that when every single divorce bill comes forward as a private bill to this house he will do everything he can to defeat every last one of them, if it be his opinion that marriage is indissoluble. Or perhaps he will do what others before him have done: when the subject matter is debated, he will run and hide behind the curtains for fear of exposing to the general public his hypocrisy in such matters.

This is a simple question of taking out of parliament a matter which is degrading to parliament and placing it in a court where it properly belongs. When Canada became a dominion, the debates on confederation dealt with this particular section of the British North America Act which gave to the parliament of Canada jurisdiction over the question of divorce. The reason that this jurisdiction over matters of divorce was given to the parliament of Canada, as I gather from reading the debates, was in order to guarantee the protection of minority rights in the province of Quebec; that was evident from the debates. Now the hon. member wants to upset what was done almost one hundred years ago to protect the rights of minorities in any province, and particularly in Quebec, and to use the state to impose upon those who have different views the particular views, perhaps, of one religion in the country.

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I have listened with interest to the various speakers on this bill. Generally speaking, the bill has some features which commend themselves to me. I have listened with interest to the remarks of the hon. member for Timiskaming, having sat with him on the miscellaneous private bills committee for a few years and having heard the evidence which was given before that committee.

Generally it seems to me that the matter of divorce should firstly come before a body other than that of parliament. I know that in the other place the divorce committees deal with various cases coming before them in a proper manner; indeed they have many learned gentlemen who are able to weigh the evidence, and I have nothing to say with regard to that. But speaking from experience of the cases which have been heard by our committee, which during the last few years had as its chairman the parliamentary secretary to the Minister of Public Works (Mr. McCleave), who is also one of the hon. members from Halifax, and who I might say did an excellent job on that committee, certain cases came before the committee which were retried. There was a trial *de novo* and witnesses were reheard. Although I am not going into the minutes of the committee, Mr. Speaker, I recall one case in which it seemed to me, after having sat until about two o'clock in the morning, that the wrong decision was arrived at. Some of the evidence which was given to the divorce committee of the other place seems to fall into a certain pattern, and it appears to me that perhaps these matters could better be dealt with by a separate court. I am not sure that it should be the exchequer court; I am not yet convinced of that. Perhaps a new court should be set up by parliament to hear these cases. I do not know what name we should place upon it. It may be that the exchequer court is now too busily engaged with other matters which occupy its attention.

Just to divert for a moment, may I say this. Being in the legal profession I heard the remarks of the hon. member for Timiskaming when he stated in effect that if the lawyers who engage in what he called malpractice before parliament, appeared in their own provincial courts or before the exchequer court, they would be subject to their own provincial bar societies and that they are not now subject to those bar societies. I do not think that statement is correct. I think the hon. member is wrong there. Regardless of where a lawyer practises, he is subject to his own particular bar society, whether he comes from Montreal, Ottawa, or any other place and he is answerable to his own discipline committee or whatever the authority might be.

I listened with interest to the parliamentary secretary to the Prime Minister, the hon. member for Peace River, with regard to the matter of custody and maintenance.

From the bill I note that the hon. member for Timiskaming, in the explanatory note, states that the jurisdiction as to alimony, the care of children and other matters will remain in the provincial courts. Possibly this is the way the situation should be. Even if a separate court were set up by the federal government or cases were to be handled in the exchequer court, I do not think it could look into these matters. In the provincial courts, other than in Quebec and Newfoundland, the matter of custody and maintenance is most important as it is also in those provinces. The judge who hears the case, has full knowledge of the facts and has the witnesses before him, can then decide these important matters. The custody and maintenance of children and the maintenance of the wife if she is not the guilty party are, of course, things which could be dealt with by the provincial courts.

If I understood him correctly, the hon. member for Bellechasse suggested that perhaps a federal court should not be set up but that changes should be made in the British North America Act in order to enable provincial courts to be set up in the provinces of Quebec and Newfoundland. If that procedure were acceptable, perhaps that would be the alternative to be followed. If these provinces would go along on that basis, as it is in the other provinces of Canada, then indeed I believe, the matter of divorce could be adequately and more wisely dealt with in that way.

I think there are certain parts of this bill which should probably commend themselves to hon. members and perhaps to the government. As I have said, generally speaking, having regard to the evidence which comes before the other place and at times before our committee, I think some changes need to be made in our divorce law. I think a full study should be made of this matter. The hon. member for Timiskaming would undoubtedly say there has been ample time for this to be done. He has brought this matter before parliament on not too few occasions and he will undoubtedly say that changes should be made now. There are parts of the bill which commend themselves to me as an ordinary backbencher on the government side. I think the matter should be looked into further and that a further study should be made of it. Then possibly some conclusion could be arrived at.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I just wish to make one or two comments. This bill does not involve the principle of divorce or the question of whether we approve or disapprove of it. It deals with the forum in which these divorces are going to be dealt with or what court or forum should deal with them. I think it is sufficiently obvious to every reasonable person that parliament is not a proper forum in which to deal with these domestic matters. It is not set up for that purpose. It is not qualified to serve that purpose. I hope that some day parliament will recognize its own inability to deal with the matter and also the degradation of being obliged to deal with a matter that is properly one to be sifted by the courts of the land. My suggestion is that parliament should take hold of this matter and decide it soon.

(Translation):

Mr. Speaker: Unless the hon. member for Bellechasse (Mr. Dumont) is rising to ask a question—

Mr. Dumont: I wanted to ask my hon. friend opposite if he was aware that in 1945, when it was asked to amend the divorce laws, there were a lot fewer divorces in Quebec and Newfoundland than elsewhere. To give you an example, in 1918, there were 2, and in Ontario 10; in 1954, there were 370, and in Ontario, 2,346.

Can my hon. friend explain this situation whereby the number of divorces was maintained at a low level thanks to the province of Quebec?

(Text):

Mr. Speaker: No question could be put to the hon. member for Timiskaming. A question could be put only to the hon. member for Greenwood. However, the hour for private members' business having now expired, the house will revert to the business that was interrupted at five o'clock.

WAYS AND MEANS

The house in committee of ways and means, Mr. Paul in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, at the supper recess I was dealing with the question of business investment in the period between 1957 and 1961. I was pointing out that business investment had declined in that period from $7.3 billion to $6.5 billion, a decline of some 11 per cent. But in the same period business savings had increased from $4.9 billion to $5.1 billion. Yet, Mr. Chairman, both the Conservative government and the Liberal opposition appear convinced that the way in which to speed up investment and stimulate

economic activity is to give more tax concessions to business. I am reminded, sir, when I see them flying in the face of the experience of the last 10 years and suggesting that this is the key to expansion and development, of the story about a rather crusty English judge who was called upon to adjudicate a fine point in heraldry. After having listened to the various heralds and pursuivants, and so forth, the old judge said—it seemed to him that they were a lot of silly old men who did not know their own silly old business. I suggest that some of these stout defenders of free enterprise do not understand the rules by which their sacred world of business operates.

I was interested last night to hear the hon. member for Davenport have this to say, as reported at page 817 of *Hansard* for October 22:

> Our kind of economy works best in circumstances where responsibility for economic decision making is decentralized and in so far as possible is kept in private hands.

This, Mr. Chairman, after he had spent an hour telling us how our economy was not working satisfactorily in circumstances where the decision making was left in private hands. It is on this point of the faith, the rather touching faith, in the wisdom and acumen of the business community, that we in this party have to part company with both our Conservative and our Liberal friends. How anyone can stand up in this house and affirm his faith in the business community and its collective wisdom after decades of mismanagement, passes my comprehension. This is the business community which in 1939 went on strike in order to force the nation, in its extremity, to pay blackmail; this is the business community that since the end of the war has been on a drunken, staggering course of boom and recession, and overextended some sections of the economy while starving others. This is the business community in which the Liberal and Conservative parties would have us pin our faith and our hope.

I am not concerned so much, Mr. Chairman, with trying to allot the blame between the present government and previous administrations; that would be an exercise in pointless futility. These are not so much crimes of government as crimes of the business world. The crime of government has been that they have stood by and allowed these things to happen. Today, both the Conservatives and the Liberals reveal that they are still wedded to the proposition that the chief purpose of economic activity is to provide an opportunity for a business enterprise to amass profits, with the public welfare entering into the matter only incidentally. We are being told today, Mr. Chairman, that there is a new Liberal party. Great stress is laid on the presence in the entourage of the Leader of the Opposition of a number of bright young men, of bright young faces, who we are assured are all Liberal with a small "l". In fact, in private, it is whispered in our ears that they are actually socialists.

However, I noticed during the recent election campaign that there appeared to be no lack of funds for television programs, for jet planes, for huge newspaper advertisements, and so on. From my fairly extensive knowledge about collecting campaign funds in many election campaigns I am constrained to believe that there could only have been one source of the very lavish funds which this new Liberal party had at its disposal during the election last June. This source could only be the surplus of corporate wealth in this country. At the same time that they use the bright young faces of the bright young small "l" Liberals to convince the progressively minded people of this country that we have a new Liberal party dedicated to new propositions, dedicated to changing our way of life, they have of course to reassure the business community that they have nothing to fear from this new Liberal party. It is prepared to do business at the old stand just as it did previously.

This is a difficult and delicate performance calling for very careful footwork. The business world has to be convinced that this one particular party could serve its interests better than the other party, and at the same time the voters have to be persuaded that the same party is more concerned for the common man than for any section of our community. I noted the other day an article in a newspaper written by an eminent member of the press gallery for whose opinions I have the utmost respect, in which the proposition was discussed as to whether or not there would eventually be a merger between the New Democratic party and Liberal party. I have, I think, pointed out that there is an impossible gulf that lies between us, that lies between this party and any party which is convinced that the affairs of our community can safely be left in the hands of the business community, and in particular that dominant section of that community which today dominates the whole of our economic life.

Of course, Mr. Chairman, I am a socialist; in fact I should say an unreconstructed socialist, more convinced today than I was 30 years ago that the solutions to the problems of our nation cannot be found within the framework of private enterprise, of capitalism, of the business world. The institutions of that world,

the huge corporate organizations that have been built and organized for one purpose and one purpose only, the amassing of profits, cannot be the foundation of a stable world in the future. A world made safe for big business, if indeed that could be achieved, cannot be a world made safe for ordinary men, women and children.

Underlying all the alarms and excursions of this dark and perilous era we are living in is the fact of revolutionary change, a revolutionary change which, if our world survives, must sweep away both the crude and overtly brutal despotisms of what is termed the communist world as well as the concealed and more subtle despotisms of the democratic world, the world of private enterprise, so that there might emerge around this globe a real free world of free men and women.

The one great feature, the one saving grace of the half of the world in which we live, is that with all its evils and all its stupidities it nevertheless offers us the opportunity to make those revolutionary changes, to build those new institutions and develop those new human relationships which are guaranteed to generate the force which will be able to sweep tyranny aside and the oppression of man by man, wherever they may be found.

As we build the new institutions we must begin the demolition of the old. To this work of construction and demolition this party is dedicated, this party which is the successor of the long line of movements of those men and women who, throughout the years, have worked and fought in the socialist movement, and by whose efforts so much of value and so much of decency and rationality have already been imported into the jungle of our predatory society.

Today we stand on the threshold of that new world. The purpose of this party, the reason for its existence is to urge, persuade and encourage the Canadian people to step over that threshhold, to join that revolution, to take courage in both hands to destroy the old and build the new.

We can have no part in attempts to plaster over the widening cracks in the capitalist structure. That structure cannot be shored up, made weatherproof and converted into a satisfactory dwelling place for man because the timbers are rotten, the bricks are cracked, the roof leaks and the floor is collapsing. It is time, and past time to prepare to move out, to build a more fitting dwelling place for the body and the spirit of man—the co-operative commonwealth which will embrace the entire family of man in all quarters of the globe.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

Mr. Nugent: Mr. Chairman, I am quite overwhelmed at the thought of trying to match the type of oratory to which we have just been subjected. I am afraid I am not light enough in spirits to treat it in the same manner as the hon. gentleman because I am a little depressed at the thought that tonight in the Caribbean there is an American naval fleet which may at this very moment be meeting, stopping and searching ships at sea on their way to Cuba. The possible consequences of a refusal to be stopped are such that I am sure we all feel just a little frightened.

I for one, when I contemplate the possible results of any action of that type, think it deserves a word or two in this house to make sure that if we become involved in a conflict that could take place, that we are legally and morally right in what we do.

The state of the United States relationships with Cuba is one of a gradually deteriorating condition over many months. I believe part of the original difficulty stems from the concept of foreign policy which I criticized in this house a year ago, the concept of anti-communism rather than pro-democracy, leading to a position where we sometimes trample on some of those things which we hold dearest in a democratic country.

The United States has certainly some cause to be annoyed with Cuba, and I think I would have support in this house when I say there are not many hon. members who are happy with the direction Cuban politics took and the way its government developed, or with Cuba's great love affair with communist Russia. However it is one thing to be very unhappy with a country and to be quarreling with it, but it is quite another thing to try to impose your own will on that country.

One of the fundamental facts we must recognize is that Cuba is an independent, sovereign nation. Its government may or may not have the public support of its people, although we did have an example not too long ago of an attempted invasion—and I am not sure the United States can think its hands are particularly clean about that—where the invaders found that the populace did not spring to their assistance. If these are a subjugated people they were at least a little reluctant to be saved. We may not like its form of government but I suggest that whether it is a large country or whether it is a country that is friendly to us, it is a sovereign state, and those of us who believe in the rights of sovereign states, as subscribed to in the United Nations charter, must concede that big or small, friendly or unfriendly, whether we like it or not, that country has the same rights as we have.

Cuba has the right to arm itself with whatever arms it can get. Cuba has the right to make any alliance that it wishes for its own defence, no matter how much we may dislike, disapprove or even fear that alliance.

Last night mention was made of the fact that the United States was taking action because it has suddenly discovered that the military installations being built in Cuba, presumably supplied by Russia, were for offensive weapons intermediate range ballistic missiles. The words "offensive" and "defensive weapons" are sometimes a little indefinite. Sometimes I feel that we call defensive weapons ours, and offensive weapons theirs. Certainly anyone who has listened to the debates over the past few years, who has read the newspapers or heard United States military policy talked about, has heard about the deterrent and has heard the Americans and others say that the only thing that maintained peace in the world was the United States defences, the striking power of the United States strategic air force, weapons designed to carry the fight to the enemy, these weapons being our first line of defence, our main line of defence. Certainly the words "offensive" and "defensive" may have a very different meaning, depending upon which end of the gun you are looking at.

I can understand some feeling of alarm among the American people at having this type of fearsome weapon only 90 miles from their coast. But, Mr. Chairman, many people all over the world have to live with the thought that their next door neighbour, separated by no water at all perhaps, is equipped with much more fearsome weapons than they have. They live in the shadow forever of a larger and more powerful enemy. Cubans, I may say, have been living in the shadow of the fearsome American arsenal for some time. Many of us live in that shadow, and we can only judge of our safety and how much we want to live there by the actions of that large and powerful neighbour who has the strength to overwhelm us—

(Translation):

Mr. Marcoux: On a point of order, Mr. Chairman. In your opinion, is the hon. member who has the floor at present, dealing with the budget or is he not going slightly astray?

The Chairman: I believe it has been decided by unanimous consent that the debate would be limited only insofar as time is concerned. However, this restriction was not to apply to the official spokesmen of each of the parties.

Mr. Marcoux: Thank you, Mr. Chairman.

(Text):

Mr. Nugent: Mr. Chairman, the point I am making is this, that when we talked in this house about the action being taken, about the build-up in Cuba and the United States action in taking this matter to the security council and to the United Nations, and said we would help, this I submit is the sort of action that all of us who believe in the United Nations would like to see followed. What I am complaining about and what I am worried about is the action the United States has taken itself in moving in with its own arms and stopping legitimate traffic on the high seas. There is no legal right, other than might, that I can see involved here. There is nothing that I know of that prevents merchant ships sailing to Cuba. I am afraid of an incident happening to a ship refusing to stop and the United States carrying out their threat of firing on that ship. In my view such an action by the United States government would constitute an act of war, would constitute unprovoked aggression.

The United States is our ally. We have not been consulted, although we were informed of the action. I think it is up to us to take a look at our ally, speak to our ally and say, "Any war you get involved in, we must of necessity get involved in too"; but that we cannot, as a nation with a national conscience, permit ourselves to be associated in an action which constitutes unprovoked aggression. I suggest that it is the duty of our government to bring this salient feature to the attention of President Kennedy, to ask him to stay his hand, to not precipitate a fight. I am afraid that the other side will not back down in the face of unprovoked aggression—and where it stops, no one knows.

The Chairman: Order. I am sorry to interrupt the hon. member but I question in my own mind whether or not his discourse on this matter, which is in the field of external affairs, is in the best interests of everybody at this particular moment. I am not unaware of the fact that certain agreements were made in this committee as regards standing order 59(2), which has to do with relevancy. I know that very broad scope was given to all hon. members in connection with this particular debate. But what I am concerned about is the fact that we have a very serious crisis in this particularly narrow field, which is of such moment internationally at this time that the question arises in my mind as to whether it is in the best taste to be dealing with a subject that is so highly sensitive at this particular moment.

I am prepared to hear argument on that score, because I realize I was in the chair when very wide scope was given to this debate. But I feel this is the time when I should charge the committee and each and

every hon. member with this question: in the light of this international situation and the crisis that is now before us, is it in the best interests of all of us to be discussing a subject that is so highly sensitive, not having already been seized of the facts that perhaps certain people in high places are seized of? Therefore, is it possible for us intelligently to comment on a situation that is so highly sensitized? I would ask the help of the committee on that question. I am not in any way trying to foreclose the hon. member from Edmonton-Strathcona; but I do feel I should have some advice from the committee before he continues with that particular subject.

Mr. Nugent: Mr. Chairman, if I might just say this. The fact, of course, of the events that are taking place now means that, should there be conflict our entire program here is going to be changed; the plans we are now discussing are going to be changed. I am sure many hon. members noticed what happened to the stock market between last night and tonight and the fact that this crisis is having a direct bearing on the economic situation of this country at the moment.

I just wanted to add one more remark regarding the effect it is going to have, even if we get over this crisis—

The Chairman: Order. I am sorry to again interrupt the hon. member. All of us know that as far as the field of external affairs is concerned, it has been our custom to treat this as a subject quite separate and apart from the current fiscal problems of our nation, and I feel it is not—I am expressing an opinion and am subject to the guidance of the committee—in the interests of Canada to discuss this subject at the present moment. I only recognize the possibility that anything said with part knowledge or with full knowledge might have a most embarrassing effect on our beloved neighbour to the south. I think this is a subject which should be looked at in retrospect after this crisis has been coped with by the principals involved. Before the hon. member carries on, I feel I should have the guidance of the committee. I recognize that very wide scope was allowed at the beginning of this debate but I would point out to the committee that this question was not before the country at the time the ruling was made. I only ask hon. members to exercise good taste when discussing this very sensitive subject.

Mr. Nugent: I will only say that I think you are right, Mr. Chairman. There is not enough scope for individual members to discuss this during this evening's debate. I have made my point and I will rest content.

[The Chairman.]

Mr. Knowles: I think the point of order should still be considered in case some other hon. member may wish to raise the subject. I believe the question as to whether there should be any inhibition placed on members so far as discussing this subject is concerned should be cleared up. There is no question that in this debate there is wide latitude in discussing all matters of public concern. That is part of the agreement of yesterday, and the international situation can almost certainly be related to the finances and the budget of this country.

I also wonder, Mr. Chairman, with great respect, whether it was in good taste for you to argue with the statement made by the hon. member. In effect you were answering his points and criticizing the statement he made. That is appropriate for another hon. member to do, but for the Chair to do it is another matter and may be called into question. I would also suggest that if we are facing an international crisis, this is the time to protect the right of free speech and the right of hon. members to express their views about these matters. For my part, I do not think the hon. member who has just sat down exceeded the bounds of good taste.

The Chairman: I wish to intervene to tell the hon. member for Winnipeg North Centre that I am sure if he reads my words in *Hansard* tomorrow he will not find I was arguing with the hon. member for Edmonton-Strathcona at all. Rather, I was seeking the advice of members of the committee before this subject was pursued further in the light of the crisis which is imminent or passing or, at least, of sufficient moment to exercise our minds as to whether or not we should pursue this topic. I hope the hon. member for Edmonton-Strathcona will not take it I was arguing with him, because I had no intention of doing so. I thought that in the light of the fact that we were entering upon the field of external affairs I should seek the advice of members of the committee.

Mr. Fulton: I think most hon. members will agree that the Chair is in a difficult position with regard to this question, as is the committee. I do not think any hon. member would for a moment suggest that it is not open to the house, whether in committee or not, to discuss a matter of such great importance as what is going on in the Caribbean. I did not take if for a moment, Mr. Chairman, that you were saying that this was a subject beyond the competence of the house or the committee to discuss. I took it rather that you were raising a question as to whether a resolution having to do with income tax, even in the light of the latitude

so far agreed to, was an appropriate basis upon which to raise this matter of international relations.

It would be my view that if the house wished now to have a discussion of this kind it would make its wishes known in that regard and interrupt its proceedings in order to do so. But as long as we are dealing with an income tax resolution we should surely confine ourselves reasonably closely to that subject; even granted that we have allowed ourselves the latitude to consider general economic matters we have not extended it so widely as to include the specific question of international importance such as I think, Mr. Chairman, you felt the hon. member was trying to introduce.

I believe you were right in drawing the attention of the committee to this question on which you would be required to rule, because if one hon. member was permitted to discuss the situation arising from our concern about Cuba, others would have to be given the same right and we might, on an order dealing with an income tax resolution, find ourselves engaged in an entirely different kind of debate. I think it is the sense of the committee that we should confine ourselves at this stage to the general economic problems which are raised by the resolution before us and proceed at some other time, and under a more appropriate order, with a discussion of the kind which the hon. member for Edmonton-Strathcona was hinting at.

(Translation):

Mr. Marcoux: Mr. Chairman, I rise on a point of order. A while ago I wanted to find out if the hon. member was straying from the matter under consideration. I was told that the debate covered a wide scope, but, following the decision made by the deputy chairman, the hon. member had kept on talking.

I respectfully submit, Mr. Chairman, that in committee, this decision does not rest with him. He should not even suggest to the committee to decide whether a member must keep to the matter or not, in view of the fact that he has accepted the wide terms of the debate.

I think that only party leaders can ask a member to go on to another subject. I submit that opinion because if he speaks about Cuba, others may talk about their ridings, their relatives or their friends.

I do not think the committee should have to make decisions each time a member rises to speak. Therefore, those who enforce discipline within the party should tell their members what not to talk about. That is my point of order.

(Text):

Mr. MacEachen: I should like to say a word on the point of order you have raised, Mr. Chairman, in awareness of the fact that your point was not raised with respect to relevancy. We decided when this debate began that it would be a general debate equivalent to a budget debate during which a wide range of matters could be brought before the committee. If you had raised a point of order in connection with the relevancy of the remarks of the hon. member, then I think we would have occasion to attempt to define the limits of the consent which we gave on Monday. But I understand that your comments are on an entirely different level, namely, you wish to secure from the committee an expression of opinion as to whether at this time, in view of the international crisis, it was proper or in good taste or in the interests of Canada to discuss a matter which has some sensitivity.

I submit to Your Honour that this is a matter that must be determined by each individual member of the committee as he discharges his own responsibility in the House of Commons or in this committee. It is a responsibility that a member of the committee must take for himself, namely, as to whether it is in Canada's best interests, whether it is in good taste, or whether it is proper, to deal with a matter of sensitivity in international affairs. I make these comments, sir, with deference to the request which you made to the committee. I would find it very difficult, speaking to the point of order, to agree that, having determined to embark upon a general debate equivalent to a budget debate, there could be very easily a limit set on the discussion without further reference to the committee in order to obtain consent.

Mr. Churchill: Mr. Chairman, I appreciate the difficulty under which the committee is functioning at the present moment, and I am sure that no one wishes to limit any freedom of discussion; I certainly do not. But when we made the arrangement with regard to this debate and decided that the rule of relevancy would not apply when the first resolution was before us, the proposition which I put before the house, and which I thought was accepted on Monday, was expressed by me in these terms, as reported at page 703 of *Hansard:*

> This is a departure from the procedure in the past, but it would open the way for a general discussion on economic matters in Canada.

I was limiting the debate to general economic matters so that we would not be restricted precisely to the amendments to the Income Tax Act which happen to be before the committee at the present time. I was not thinking in terms of a wide ranging debate

such as we have on the speech from the throne, when every subject under the sun can be discussed.

The only suggestion that I would make at this stage is that, for orderly progress of this debate, we restrict our remarks to the general economic conditions in Canada; and as the Minister of Public Works has pointed out, if on a subsequent occasion—perhaps tomorrow, I do not know—the house wishes to discuss some matter of great urgency, why, the time would perhaps be allowed for that purpose. But to mix up this debate with a completely general discussion on any subject which might occur to an hon. member is, I think, hardly in keeping with the arrangement which I thought we made on Friday, and subsequently on Monday.

Mr. Berger: Mr. Chairman, on the point of order, when the house leader and the government proposed that the rule of relevance be disregarded during the debate, the hon. member for Winnipeg North Centre warned them of what the consequences might be. But they persisted. Now, because one of the hon. members of this committee has chosen to discuss a most urgent matter which, in the opinion of this hon. member at least, is clearly in order, some effort is apparently being made to restrict him. With great respect, Mr. Chairman, I suggest that the hon. member who had the floor, the hon. member for Edmonton-Strathcona, is entitled to proceed in the vein in which he was talking, because the rule of relevancy having been disregarded it cannot be brought back in by the Chair, by the house leader, or by anybody else; it can only be brought back in by this whole committee.

The Chairman: Does the hon. member for Cariboo wish to make a comment?

Mr. Leboe: Mr. Chairman, just a very short observation. I think that due to the fact that this subject has now been opened in this debate, it is obvious to us from the comments which have been made that it is a delicate situation. The matter which bothers me is not the question of the relevancy of debate, but rather that the hon. members who are speaking in this debate could all be speaking on other subjects while one hon. member puts forward a proposal or a line of argument without any balance in the committee. I can see where we could find ourselves with two or three speakers taking the same line, and from those two or three speeches we could get the idea that the committee was in unanimous agreement with that type of thing. This is the danger which I see in what we are doing tonight. I should like to point out to the committee that I fear that this could happen if we do not launch into a general debate on the subject, so that we can hear from all sides of the house.

The Chairman: Well, I am very much in the hands of the committee, as you all realize. I hope that no one misinterpreted the fact that I rose to my feet, which I very rarely do on my own initiative and without being prompted to do so by some hon. member of the committee. I rose only because I comprehended the larger interests involved, and I can only say I felt I should rise because the narrower scope of the national economic situation in Canada was in my mind at the time the unanimous consent of the committee was obtained. When we got into the broader field of international affairs I felt I should rise and seek your advice.

I cannot back away from the unanimous consent given by the committee to put aside subsection 2 of rule 59 for the purpose of this debate in committee of ways and means, so I can only leave it to the hon. members to determine in their own minds, and indeed to interpret to the letter the ruling or understanding which was come to on unanimous consent yesterday, whether it is in the interest of Canada to proceed to go into a field as broad as the sensitive area of the Cuban situation, which is truly in the field of international affairs.

Mr. Crestohl: Mr. Chairman, on the point of order; I think you were very judicious in the way you went about seeking the guidance and advice of the committee. I think your point has been made, in giving the committee the benefit of your guidance as chairman of the committee with respect to this very sensitive subject which has been raised. I do not think though, Mr. Chairman, that we should in any way interpret this as a precedent for the continuance of a debate as to what will or will not be relevant. That is the one point that I see in the observations you have made to the committee. I think it was proper for you as Chairman to draw this sensitive situation to the attention of the committee and I think you have made your point. But I do not think you should make a ruling as to whether or not the speaker was or was not in order. Rather, you should leave the committee to continue with the interpretation of the conditions set up for this debate, so that it will not serve as a precedent to any other speaker who may speak in the debate.

Mr. Davis: Mr. Chairman. I should like to return to a somewhat less sensitive subject than that before the committee tonight, namely Canada's economic prospects. First I should like to congratulate the Minister of

Finance on his appointment to that high office. It is a great responsibility. It is more than looking after the public purse; he is, if he performs his function properly, the grand architect of this nation's financial and economic future. Whether we are poor or rich, whether we are with jobs or unemployed, or whether we lose title to our nation's birthright, is in his hands. His grasp of the sweep of history, his vision, and above all his ability to communicate his plans to the country, will determine whether he has carried out this function well, and whether posterity will regard him as a great man—a great man following many predecessors, as Minister of Finance.

As a new member of this House of Commons I welcome the opportunity to speak in this debate. I would have welcomed it more, however, had the minister given us a better idea of the government's plans and where we were likely to be going in the months immediately ahead. I feel quite keenly the need of a financial blueprint. You see, Mr. Chairman, I have been spoiled. I have been working in a few businesses which have been businesslike. In order to prosper their management has had to know where it was and where, if they did nothing, they would be going, and what they must do in order to change the course of events and make the best outcome realizable.

Surely we in this parliament should be in much the same position. Surely we should have access to all the facts. Surely they should be analysed by competent staff, made up to date and have a sufficient sweep projected into the future for us to be able to get hold of the problems facing us and discuss intelligently among us the alternative courses which may be most advisable. Instead of this, we have separate financial resolutions. These are being put forward piecemeal for consideration, with no background material. Although we have just been through a serious financial crisis, there is no forecast, although in the opinion of many economists we might face a downturn in 1963. There is no budget white paper of the nature normally presented in the United Kingdom and in the United States by the president in the form of the report of his council economic advisers. It is no wonder that we in this House of Commons are confused. It is no wonder that the people across the country are confused and do not know where our economy is going.

In order to sort out my thinking I have established a few priorities. At the top as No. 1 I would put full employment. In second place I would put a continual improvement in productivity. These two dynamic objectives, if realized, would create greater national output and greater income. There is a third objective or one which I would rank as No. 3. This is our national purpose to hold on to more of our own resources, to control more of our national destiny. The fact that we have been steadily losing grip is reflected in the $1,000 million gap that we have repeatedly experienced in our balance of payments in recent years. In order to bridge that gap we have been asking others in effect to do the saving for us. They have put up most of the capital which has gone in the expansion of our resource and other industries. They are the ones now who are entitled to a fair return on that investment. I am all in favour of treating them fairly. However, something must surely be done before we find ourselves with a first class financial and—something which is even more serious—political crisis on our hands. The time to do it is now. We should begin at once to put our own financial house in order. Otherwise we are going to witness a few explosions which will be harmful not only to our international relations but also to the future of free enterprise in this country.

Let me say emphatically that I reject nationalization as a comprehensive solution to this difficult problem. Let me also say that laws which require a given proportion of a company's stock to be sold or held in this country are undesirable because they are unlikely to work. I would prefer instead to take a positive approach, namely that of giving to Canadians the greatest opportunity to work their way up, to manage, to invest intelligently, and eventually to own a major share of the corporate wealth of this country. In order to do this they must be well trained and they must have access to up to date information. Annual reports, complete with balance sheets, should be published by all foreign owned companies operating in this country. A majority of Canadians domiciled in Canada should also direct the affairs of subsidiary firms operating here. Then, with inside information and a knowledge of things Canadian, they will be able not only to maintain a cordial relationship with the international corporation's headquarters in other countries but will also be able to help regain a larger measure of our Canadian wealth and direction by Canadians.

The progressive Canadianization of big foreign owned corporations is not my only concern. Canadian initiative should have full play in other fields. Small businesses will be starting up, and flourishing by the thousands. If credit can be made available at reasonable rates of interest and for long enough periods of time, here is where the real flowering of our Canadian entrepreneurial talent can occur. Mind you, it has little chance of success if the present "tight money" policy should

remain in force for too long. However, I feel sure that, sooner or later, we are going to use Canadian credit to buy back our national heritage. The government can arrange things so that it can borrow cheaply, so that these small people can use the usual commercial channels and so that energetic and far seeing Canadians who would like to own as well as run their own modest share of the Canadian economy, can realize these ambitions.

To turn now to budget matters may I say this. This government is in the habit of running our financial affairs at a loss. It has run up budget deficits amounting to several billions of dollars. Again this year we shall be paying out close to $110 for every $100 which the government recovers in the form of taxes. This practice is bound to be inflationary. Nothing could be better calculated if we persist in this practice, to drive down the value of the dollar. Nothing is likely to drive up prices faster across the nation. To make matters worse, the government keeps saying, that it really intends to balance the budget. The awesome fact that it fails year after year to do what it says it is going to do, merely adds to the confusion. It helps to undermine the confidence of any investor, whether he be a Canadian in this country or a foreigner looking at Canada for opportunities to invest here.

The principal determinants of our national income over the long run are population growth and productivity. Both are lagging right now. If things go on as they are we shall be losing just about as many young native born, well trained Canadians to the United States as we shall be taking into the country in the form of immigrants from other countries. With this hemorrhage of brains going on, the efficiency of our working force is bound to be less than it should be. It has been suffering. Productivity per capita has been roughly standing still ever since 1957. As a result, Canada's total output of goods and services has been edging slowly upward at a rate of between 2 per cent and 3 per cent a year. We are being outdistanced by our friends and our enemies alike. We are in a rut. However, we must and we shall shake ourselves loose again. Of that I am sure.

How to bridge our 10 per cent gap in our budget bothers me as it bothers many other Canadians. I can see us holding the line on expenditures, cutting here and adding there with a view to maintaining as high a level of employment as possible in the construction industry. But greater productivity is the real key. Taxes, in this context at least, must come down. They should be streamlined and they should be shifted if possible, from the shoulders of those who produce to the shoulders of those who merely consume. More production is really what we need. Let us use some of this excess capacity we have. Let us put more of our people to work. Let us create more wealth by intelligently working harder. This is the only practical way of creating additional revenue without raising taxes and in order to balance our budget in the long run. What we need are incentives. I refer to incentives to develop new products, to introduce new processes, to shift out of inefficient industries and into more productive ones. A policy of freer trade will help, but import competition is a hard taskmaster. We have to know where we are going and beam our research programs, our government assistance, in the right direction. This is one way in which we can virtually pull ourselves up by the bootstraps, by harnessing the driving force of our own free enterprise economy and by letting economic growth, instead of increased taxation, provide us with the additional revenue which we need.

The measures which I applaud include the new tax incentive which the government has outlined in the speech from the throne for corporations undertaking increased expenditure on scientific research in Canada. I would go further, however. I think the government—I hope the government—intends to go further and beam this towards industrial research and development in Canada. It is in the field of applied research that we are so woefully weak. It is in this field that private industry in so many other countries does so much, and we do so little. Our government establishments do a great deal of scientific work but it is not the type of work which can be immediately applied to our resources to provide additional jobs in this country. Again, research would provide the opportunity to repatriate much of the ownership and control of industry in this country. The men who carry out research are on the inside track. They have inside information. The more Canadians we have with this opportunity the more Canadians we will find investing intelligently in our future, the more of our industrial output we will find returned to Canadian ownership and control.

There are numerous other measures which I should like to see implemented. The first is a tax holiday for new industries, especially those prepared to locate in areas of chronic unemployment. Then, I should like to see tax adjustment grants for industries which are seriously hurt by import competition, an adjustment along the lines of that indicated in President Kennedy's trade expansion act. This arrangement would help industries hurt

by overseas competition to adjust to this competition and help them get back on their feet in other lines of endeavour. Then, I should like to see the government remove taxes and other restrictive measures which continue to frustrate trade between Canada and the United States as well as many other countries with which we trade.

Electric power is something about which I know a little bit. It is a case in point. This giant industry has, through its construction program, provided much of the support for our post-war economy. One dollar out of every ten going into investment has to be produced in and through the power industry. Its forecasts, because of our lack of economic growth—these are prepared and published by the industry—indicate an excess of investment of the order of 20 per cent through to 1965. Think of it, $7,000 million worth of investment, 20 per cent of this or almost $1500 million of investment, standing idle at the present time because we are overbuilt. Think of what we could do, what we could earn, if even half of this investment could be used to service adjoining areas in the United States. The income to these utilities could be of the order of $50 million a year. This $50 million a year could be used to reduce power rates in this country. It would be $50 million on the right side of the ledger when it comes to balancing our imbalance of payments.

Now, let me turn to another broader and more important, I think more significant area of our economy, that of the tertiary industries, the service industries. These are the industries which typically are manned by small men, often by Canadians. Let us think of tourism. Why is it that most of the residents of many of our Canadian cities go south? Why is it that most of the people in the city of Vancouver who ski go south to ski? It is because we do not have easy access to much of our own territory in this country. Why not open up our own parklands, with government money if necessary? Why not exploit our own scenery? Why not build more roads that run north and south as well as east and west? Why not assist in the construction of small boat harbours that will allow our own people as well as those from the United States and elsewhere to explore our coast? Why not provide low interest loans with long term repayment clauses to municipalities and others who want to build convention centres? Why not dress up our Indian reserves and make them show places for others as well as our own people? These are imaginative projects. There are people today who are quite enthusiastic about them, and I am sure they could pay dividends.

I believe this is the direction in which the federal government should be headed. It should be showing the way to innumerable Canadians who want not only to stay in this country but also to earn a respectable living running an enterprise which they own themselves. Here is one way in which we could at the same time open up the country and keep Canada for Canadians. All we have to do is move with the times and use our national credit, our federal resources, in order to support these ventures and to get things done.

Now, my main thesis in speaking tonight is that the government should be planning ahead. It should be forecasting events and the steps it will take to deal with them. Government is the biggest industry in this country and many people now look to government for an understandable solution to their problems. They want us, they want parliament, more than that they want the government to develop blueprints which they can understand. They want these forecasts and these policies reduced to terms which are understandable to the small man, and often this means to Canadians.

This debate, as we all know, has not been a full scale budget debate. It has not given us the opportunity at least of seeing the full program of the government, of seeing it laid out in a rational and understandable manner. Perhaps there is an explanation for this. Indeed, the explanation may be obvious to many of those of us who have sat in this house for the last several weeks. It was not so long ago that the two great protagonists, the Social Credit and Conservative parties, were flexing their muscles and taking wild swings, albeit at safe distances, at one another. They were warming up for the big fight. Now, however, that we are all enclosed within these four walls, what do we find? We find the "You have nothing to lose" boys in this corner are exchanging nods, winks and other amiable gestures with the "You have never had it so good" boys on this side of the house. Every time the bell rings they spring immediately to their feet, but there is no fight left. All is smiles and endless clinches. No blow is struck. There are no casualties to be seen.

Think of it; we have an unholy alliance between the baleful barons from Bay street, who would balance our budget overnight, and the funny money fraternity who would keep printing establishments in this country busy 24 hours a day turning out $100 bills.

One group, the diehard Tories, are financial conscripts; the other group, the slaphappy Socreds, are financial draft dodgers; but yet

to stay in power or retain a position of influence they secretly cherish each other's company. Occasionally a few rough things are said for public consumption, but they have obviously put aside the high sounding pledges which won them their seats in this house.

Having seen this remarkable transformation take place, many of us can sympathize with the Minister of Finance. He dare not plan ahead. This is one of those sensitive areas in which the Socreds and the Tories are really poles apart.

Echoing the Prime Minister in his statement to the house on October 19, the Minister of Finance in effect said "I am not going to contemplate the future."

An hon. Member: What are you reading from?

Mr. Davis: I regret that he cannot. Indeed I regret that we cannot. So, may I speak for the country—

Mr. Nowlan: No.

Mr. Davis: —and say that the sooner we put an end to these blind financial meanderings the better it will be.

Mr. Kennedy: May I ask the hon. member a question? The hon. member made the remark that rather than tax the producer we should tax the consumer. Does he mean an increase in the sales tax and excise tax on goods?

Mr. MacEwan: Ask Walter Gordon.

Mr. Davis: I believe a strong case can be made for modifying the income tax legislation which we have. I believe it is punitive in respect to production and must be modified in order to provide incentives to give us greater production in this country.

Mr. McCleave: Are you going to support the resolution?

The Chairman: Has the hon. member for Lapointe got a question?

(Translation):

Mr. Gregoire: Mr. Chairman, when the hon. member states that the Social Credit party would have the money machine rolling 24 hours a day, could he tell me where he learned his theory about Social Credit?

An hon. Member: From you.

Another hon. Member: From your group.

Some hon. Members: From Caouette.

Mr. Lamy: You were asleep when he explained it to you.

(Text):

Mr. Davis: I have found very little I could learn from Mr. Bennett. I have been tutored by Mr. Howe, Walter Gordon and a few others.

An hon. Member: That explains it all.

The Chairman: Order. I have been concerned for some time with something which is happening in this debate, and this gives me an opportunity for raising another point. I may be corrected by the hon. member for Winnipeg North Centre, but I have noticed there is quite a growing use of personal names in the committee's deliberations. I am looking at the moment at the hon. member for Bonavista-Twillingate and others. I feel this might be as good a time as any to express my views—and I hope they will not upset the hon. member for Winnipeg North Centre —that this is not in good taste, and I do not think it is within the rules of the committee of the house. I would ask hon. members to endeavour to refer to each other by their constituencies, if they possibly can, notwithstanding the heat that is sometimes generated. I hope hon. members will get this into their minds early in the deliberations of the committee.

Mr. Pickersgill: On a question of privilege, Mr. Chairman, since Your Honour has chosen to refer specifically to me. I have been trying to cast my mind back and I cannot recall ever having used the name of any hon. member in this house or ever having designated an hon. member in any other way except by his constituency, and I usually try to pronounce the name of his constituency correctly.

The Chairman: I think I should clear this up for the record. I believe most hon. members understood I was pointing to the hon. member for Bonavista-Twillingate—

Mr. Pickersgill: Bonavista.

The Chairman: —as one of the persons most subject to this sort of treatment in the committee.

Mr. Benson: Mr. Chairman, after listening to the quality of debate in this house for the past several weeks it is with some hesitancy and humility that I rise to speak for the first time. I should like to say a few words on a subject which is very close to the matters we are debating, namely, taxation. It is never a very popular subject. Since biblical times the tax collector has been looked upon with some disdain by his fellow citizens, although I am sure this does not apply to our Minister of National Revenue.

However Canadians today at least recognize that taxation of some sort is essential if government is to provide all of the services and benefits which are taken as a matter of right by them.

The importance of taxation in our economy can be gauged if we realize that about 32.3 per cent of all goods and services produced

in 1961 was collected by the various levels of governments and redirected by them. The total expenditures of governments at all levels in 1961 amounted to $11.9 billion.

The total funds raised through taxation by this government amounted to $5,157 million in the year ended March 31, 1962, and in his budget of last April 10 it was estimated by the then minister of finance that tax revenues of the federal government in the current fiscal year would amount to $5,155 million. Since that time the additional surtax on imports, as we have been told, will increase this to $5,305 million.

Although it has been said by hon. members opposite that taxes have declined since their government took office, the fact remains that based upon these estimates by the government the Canadian people will pay $682 million more in taxes during the current year than was the case in 1958, and this is not the complete picture.

In addition to the fact that more money has been raised by taxes than ever before, we have, over the five year period from 1958 to 1962, accumulated deficits which amount in total to $2,192.8 million on current account alone, without considering a depletion of some $800 million in the unemployment insurance fund, in spite of a 33⅓ per cent increase in the rate of contributions, and some $150 million in the special defence fund.

In other words, in spite of the fact that the people of Canada have paid over $26 billion in taxes to the federal government in these years, the government managed to spend all of it and still put us in debt to the tune of almost $1,900,000 per day; and these, Mr. Chairman, are cash losses. They do not take into account the losses in productivity due to the slowdown in our rate of economic growth, which have amounted to additional billions of dollars.

I do not want to dwell too long on the past. The record speaks for itself and it is indeed a sorry record. However, in view of the fact that hon. gentlemen opposite seem to dig into the ancient past to justify their improper actions of today, I felt it might be worth while to review briefly once again the record of financial mismanagement during their tenure of office.

According to government forecasts, in the current year in spite of the austerity program and increased taxes levied without the specific approval of parliament, this government will continue to cost the people of Canada $1.5 million a day in excess of total revenues.

Mr. Chairman, I well recognize the difficulties encountered by the present Minister of Finance. Whereas in the last parliament we had a minister of finance who liked to dabble in trade and legal matters—and perhaps this is why he is now Minister of Justice—we now find that we have several persons who like to dabble in finance. First, we have the Minister of Finance, whom I heartily congratulate on his appointment and to whom I offer my sympathy. Second, we have the previous minister of finance who, although he is now Minister of Justice, seems to be still dabbling in financial matters. Third, we have the Minister without Portfolio, who should be of great assistance to the Minister of Finance in plugging tax loopholes, as he must have an intimate knowledge of such matters. Finally, Mr. Chairman—and we must not forget this—we have the hon. member from Villeneuve, who must not be ignored, as it is only with the support of him and his confreres that this government has been able to remain in power. Mr. Chairman, the monetary policies of the hon. member from Villeneuve should add spice to the fiscal and monetary stew to be concocted by these four cooks.

In spite of the fact that he has all this help, in spite of the fact that the financial outlook has been drastically changed by the austerity program, in spite of the fact that it is his moral if not his legal obligation to do so, it is now apparent that the Minister of Finance will not bring down a formal, revised budget for the current fiscal year and allow parliament to debate it in the proper manner. I wonder how long he would last, in similar circumstances, as treasurer of one of the companies of the Minister without Portfolio.

Mr. Chairman, I should like to bring to the attention of this committee some views of the Ottawa *Journal*, a newspaper not too far distant from the government's heart in this connection. On July 19, 1962 under the heading, "Fall baby budget appears certain", the following information was given to the public:

> Another baby budget this fall, revising the last June 20 budget—

If you will pardon me, Mr. Chairman; this must have been an error in their printing, unless there was another budget on June 20 that we have never seen:

> Another baby budget this fall, revising the last June 20 budget, appears a certainty after the new parliament assembles. For one thing, Mr. Fleming will be reporting on how much of a cut in his original $745 million budget deficit forecast will result from deductions in government spending and the new tariff surcharges announced in the austerity program June 24.

It continues:

> The baby budget will also give the government the opportunity to unveil the "longer term measures of a positive, constructive nature to improve our current international accounts" which Prime Minister Diefenbaker referred to in his June 24 announcement.

And, Mr. Chairman, on August 4, 1962 under the heading, "Fleming drafting baby budget", the following was stated by the same newspaper:

> Finance Minister Fleming and his departmental "money-men" are at work on a "baby budget". The new budget is being written on Prime Minister Diefenbaker's orders, it was reliably learned today, to present a fresh new financial program to the new parliament, designed to stimulate the economy.

Mr. Chairman, even with all this publicity we still have no formal revised budget. I know that the minister is not bound by newspaper speculation, but I would think that in view of the recent Senate appointment we could assume that information in this newspaper from "reliable sources" would be correct.

Mr. Chairman, if we are not to have a proper budget and the opportunity to debate the promised new fiscal and monetary policies of this government, we must assume that with the modifications indicated to date, through revised estimates and the estimates of additional revenue, the present Minister of Finance is standing on his predecessor's budget statement of April 10, 1962. This budget, we are told, will provide a deficit of $570 million in current accounts.

The Minister of Finance indicated last evening that expense savings indicated in the revised estimates are largely offset by increases in statutory expenses, including an increase of $40 million in interest costs directly attributable to the high interest rates created by this government. Mr. Chairman, interest on the national debt in 1962-63 will be $351 million higher than it was in 1956. This is where a large portion of the additional tax revenue is going. It is not going, as we are led to believe, towards expansion of the Canadian economy.

Let us now consider one or two of the then minister of finance's statements in his budget speech of April 10, 1962. On page 2689 of *Hansard* he stated:

> —our international trade and payments are in better balance than they have been for many years.

Everyone knows what happened after this forecast was made. On May 2 the government had to devalue our dollar in terms of United States currency in an attempt to aid our foreign exchange position. Then on June 24, in order to protect our foreign exchange reserves, the government applied a surtax to discourage imports and a cut-back on the amount of goods which might be brought to Canada duty free by Canadians returning from abroad. Does the Minister of Finance still support this statement of his predecessor?

[Mr. Benson.]

Then continuing, on page 2692 of *Hansard* the minister stated on April 10, 1962:

> Interest rates in this country are now lower than they were a year ago. The spread between interest rates in Canada and those in the United States has narrowed. Consequently, the incentive to capital inflows has been considerably reduced.

What happened to this forecast, Mr. Chairman? As part of the austerity program the government on June 24 instituted a tight money policy by increasing the lending rate of the Bank of Canada to 6 per cent. Although the rate has now been reduced to 5 per cent, it is still restrictionist in nature.

A further restrictionist action carried out by this government has been the reduction of the money supply. In the latter connection I should like to quote from the September commercial letter of the Canadian Imperial Bank of Commerce:

> The latest period of restriction, involving an actual contraction of the money supply, was part of the response to the foreign exchange emergency. The inserted chart illustrates the recent reduction in the money supply. This exceeded half a billion dollars in the brief period from the beginning of July to the end of August 1962.

Mr. Chairman, when the present Minister of Finance refuses to bring before this house a proper revised budget for debate, he is implicitly approving these actions which restrict our economic growth.

The fact of the matter is that this government has no long range policies to bring before this house. Mr. Chairman, what this country needs and what the public is looking for is a broad new program such as that outlined by my colleague, the hon. member for Davenport, last evening. If the present government has nothing better to offer than that which has been outlined to date by them, we should end this fiasco and go back to the people.

Mr. Chairman, I indicated earlier the importance of taxation in our national economy when I indicated that 32.3 per cent of the gross national product is now being collected and redistributed through taxation by governments at all levels. In 1960 this government drained off 17.5 per cent of the gross national product for the operation of the federal government and redirection according to what they thought would best serve the national interests.

There has been, for some time, a feeling among businessmen and other taxpayers in Canada that our taxation system should be reviewed at all levels in order to determine the incidence of taxation in this country. Those on this side of the house have urged that this be done with a view to determining the equity of our present taxation system. A by-product of such a study might be the

assimilation of knowledge to guide the government in predicting the effect of specific tax changes on taxation revenue, and on the gross national product.

After being discouraged by the failure of this government to act on these suggestions, the Canadian Tax Foundation agreed, almost two years ago, to subsidize studies in this area at Queen's University. Finally, last spring, in the midst of an election campaign in which, incidentally, we supported such studies, the Prime Minister decided to make an earth-shaking announcement and indicated that he would appoint a royal commission to examine our taxation system. I am pleased that this election promise at least has been carried out. On September 25, 1962, the privy council appointed a royal commission to this end under the able chairmanship of Mr. Kenneth Carter. It is, I think, interesting to note that in order to man this commission, the Prime Minister had to choose a former civil servant, Mr. Harvey Perry, as one of the members. Although the choice is, in my opinion, an excellent one, it must have been difficult for the government to make this choice in view of their often-expressed adverse opinions of former civil servants.

Mr. Nowlan: I spent a week persuading him to take it.

Mr. Benson: The terms of reference of the Carter commission include the following:

> —to inquire into and report upon the incidence and effects of taxation imposed by parliament, including any changes made during the currency of the inquiry, upon the operation of the national economy, the conduct of business, the organization of industry and the positions of individuals; and to make recommendations for improvements in tax laws and their administration that may be consistent with the maintenance of a sufficient flow of revenue.

This is an admirable aim, and we wish the commission every success and trust that the government which is in power when it reports—and it certainly will not be the present government—

Mr. Nowlan: It will.

Mr. Benson: —will take more heed of its recommendations than was taken of those of the committee on the sales tax, which was also headed by Mr. Carter. We also hope that the government, through the commission, will recognize and encourage the work being carried out under the direction of Professor Slater at Queen's University in order to avoid duplicity in the expenditure of money and effort.

One of the difficulties of royal commissions is the fact that their hearings and analysis take a very long time to complete. It is presently indicated that this commission will not report until 1964. The aims of the Carter commission are laudable. However, Canada cannot wait two years for action. The government should act now and make bold changes in monetary and fiscal policy, including taxation, in order to speed up Canada's economic growth.

Last evening, my colleague from Davenport indicated that a Liberal government would offer tax concessions to industry locating in the maritimes and other areas where there is chronic unemployment; and here, Mr. Chairman, we are talking of real incentives, not the half hearted measures put forth by this government.

Since it is the practice of Liberals always to be constructive in their criticism, I would like to respectfully suggest to the minister that certain matters in connection with the Income Tax Act be considered by him with a view to improving this legislation:

1. Under the Income Tax Act, there is no definition of income as such. I do not believe that in 1962 it should be beyond our capacity to make such amendments to the act as are necessary more clearly to distinguish between capital receipts and income.

2. In this connection, in order that businessmen may more clearly know the possible effects of their actions, I suggest that the minister adopt the practice of giving rulings before the event when requested to do so.

3. In both the United States and Great Britain there has been, in recent years, tightening up with regard to the deductibility of business expenses. I am not suggesting that there is any abuse in Canada in this regard, but I do suggest to the minister that this matter be examined in order to assure our taxpayers that no one segment of the community is being especially favoured in this respect.

4. I suggest that the problem of personal corporations, which have no existence in law other than under the Income Tax Act, and which has been under study for some time, be finally resolved.

5. I suggest the problem of designated surplus be re-examined in order to determine whether or not the present law is adversely affecting legitimate business transactions which might be in the public interest.

In this regard I should like to refer to a speech made to the Canadian club of Toronto the day before yesterday by Mr. A. J. Little, a speech which was quoted almost intact by the almost Tory newspaper, the *Globe and Mail*. This is what he had to say about designated surplus:

> Our tax laws, particularly those dealing with surplus and the movement of surplus, place difficulties in the way of one company acquiring

another. Our so-called designated surplus provisions fall clearly into this category. No doubt the people who concocted this confusion were well intentioned, but they certainly created a mess in our tax laws. I doubt if anyone now could really justify those restrictions and the hodge-podge of legislative action that has followed.

Going beyond this, I should like to suggest to the minister:

6. That the period of loss carry back by individuals and corporations be extended from one to three or five years. Three years is the period allowed in the United States, and the five-year period is to be permitted to firms adversely affected by President Kennedy's trade bill. Under our present law, it often happens that losses incurred in the final years of a business enterprise are not deductible even though substantial taxes have been paid over the years. I believe that in a period of trade expansion, it would encourage business to change from one enterprise to another if the carry back period were extended.

7. I suggest that consideration be given to establishing lower rates of taxation on personal incomes in the higher brackets. The present rates in the top brackets, which range up to 80 per cent, are not particularly productive in revenue, and yet lead to all sorts of avoidance schemes. If the top rates were reduced to 50 per cent, the loss in revenue would amount to only about 1 per cent of total personal income tax revenue.

8. I would like to suggest that the accounting and legal costs in appealing income tax assessments be allowed as a deductible expense. At present the taxpayer is not only presumed guilty until he has proved his innocence, but also when he hires competent persons to assist him in proving his innocence the costs involved are not deductible under the act.

Finally, Mr. Chairman, I believe that everything possible should be done to improve the effectiveness of our taxation system as an economic tool, including perhaps such things as those which have been considered in the United States, where they are considering, and have given authority for, across the board tax decreases to be applied by the government in cases of recession.

(Translation):

Mr. Perron: Mr. Chairman, I should like first of all to congratulate the Minister of Finance (Mr. Nowlan) for the confidence his party has shown him by appointing him to his present position. That position is usually heavy with responsibilities but it is even more so today because of the problems he is confronted with at present and the complex demands that come from this corner of the house.

[Mr. Benson.]

Since the beginning of the session, there have been many speeches on our economic and monetary problems. We have heard from the influential adviser and so-called financial expert of the Liberal party. A representative of Canadian banks in the house has told us that it is not the chartered banks which create money and credit in Canada. Yet, we have here proof that for the past 25 or 30 years, the government has been at the mercy of the chartered banks, those dispensers of credit, for any action it has taken either at the national or the international levels.

At this stage, I will refer to a booklet entitled "Our Chartered Banks", published in 1961, which was quoted by the hon. member for Laurier (Mr. Chevrier) and where we find a clear answer to the question:

Do the chartered banks create currency and credit?

In all candor, the reply given is:

Yes, chartered banks create currency and credit in the country.

I do not intend to use big books like the member for Lapointe (Mr. Gregoire) this afternoon.

It was quite an experience this afternoon to hear in this house talks about the austerity program from one side of the house while on the other side the Liberals were talking about the prosperity at the time they were looking after the affairs of the country, whereas we, the older ones, quite vividly remember the Liberal era from 1936 to 1940.

I do not believe they deserve any more confidence in spite of all they have to say against the present government and the administration that preceded them. Indeed they have once more given us evidence, over those 22 years they spent in office, of what they were capable. This is why I came here to ask the Minister of Finance if, in the event of war, we would not be again at the mercy of those who control currency and credit; if so, whether future generations would not have to pay for our present debts.

The interest we pay on our national debt, according to the 1961 year book, amounted to $816.14 per capita in 1951 while in 1961 it amounted to $678.63. This debt is said to have decreased but as is found in the Canada Year Book, the interest which in 1951 was $31.01 per capita amounted to $42.17 in 1960.

Some hon. Members: Shame, shame.

Mr. Perron: Mention was made of scarce money. Mention was made of tight money,

and of lower interest rates in the last few months, perhaps because of our presence in this house. We would be glad if interest rates had gone down last week or two weeks ago because we are here. It is to be desired that this will keep up in coming months and that the government will implement its promises for the benefit of the people.

I do not believe, however, in the sincerity of those super economists who attempt to talk about development and planning for the Canadian economy, while during the war, they knew very well where to find the money required to fight the war of 1939-45, under a Liberal administration.

Mr. Rouleau: Mr. Chairman, would the hon. member allow me a question?

Some hon. Members: Later.

Mr. Perron: Later, when I am finished.

Mr. Rouleau: Will you allow me a question?

Mr. Perron: Go ahead.

Mr. Rouleau: Is not the hon. member of the opinion that the Canadian people and the Canadian government should not have done all necessary sacrifices during the war, to destroy Mussolini's and Hitler's dictatorship?

Mr. Perron: I am indeed of the opinion that at that time it was absolutely necessary to take part in the destruction of Hitler's and Mussolini's dictatorship, but I think it is high time that we take the necessary steps to destroy the financial dictatorship that exists in our country.

Then, we regretted deeply the austerity program of the Liberals and of the Conservatives, who invented it and even introduced it on television in the month of June.

I must say I am not here to support an austerity program, not any more than to vote with the Conservatives. And you may rest assured, Mr. Chairman, that if the estimates come to a vote, there may be disagreement.

Some hon. Members: Hear, hear.

Mr. Perron: Since we have been here, has anybody asked whether there was a shortage of farm products in this country at the moment? None of my hon. friends brought up this question. Nobody even dealt with the country's productive capacity.

Our country has enormous potentialities in the field of agriculture as well as in that of manufacturing. Can anyone complain of shortages back home, in the stores of his locality—shortages in such items as clothes, footwear, essential food products? Nobody in this house has asked that question.

On the other hand, most discussed monetary matters. Which reminded me, that when you suffer from a corn on a toe, would it be logical to put a bit of ointment behind your ears? No, sir. Let us use adequate remedies for our ills. If the people are now suffering and groaning under the tax burden of taxes at the dominion, provincial, municipal and school levels while indeed a large proportion of our fellow citizens are getting into debts with finance companies, borrowing at exorbitant interest rates. And most of the time the money is supplied to these finance companies by the banks on promissory notes at interest rates of 5, 6 or 7 per cent. Indeed, some finance companies even borrowed public funds through the Canada Council. Such is the case of the Industrial Acceptance Corporation, which borrowed money at 7½ per cent, not long ago, to lend it to automobile buyers in the province of Quebec at rates of 18, 24 and 32 per cent.

The Liberals blame the Conservatives for not announcing their austerity program before June 18. It is quite understandable that they did not. The Liberals know more tricks, they go about it in a roundabout way. In 1953-54, they announced credit restrictions imposed by the governor of the Bank of Canada, when they advised the people to tighten their belts, when they applied restrictions on bank credit. We learned about it, in 1954, under the Liberal administration, with Mr. Coyne.

And today they seem to come up with a brand new program, a Liberal program which would assure prosperity, security and even freedom. They go that far even though most of the time they seem to submit the same plans over and over again.

Even if they are not socialist plans, away we go.

Well, gentlemen, I believe that they are not the plans the people expect from us, the law makers. What the people want is a monetary policy which reflects the desires of the Canadian people. The people want to benefit from their work, while at present, society leaves unsecured the small wage earners. Why? Because we live under a system which operates perfectly in time of war, but un-

fortunately, in time of peace, the small wage earners are left with their troubles and only plans are submitted to them. Thus, we play into the hands of those against whom we are getting ready to fight very shortly.

I believe that if we do not come to an agreement it may be because we follow false principles or we are not on the same wavelength.

Under the present system, man seems to be the instrument of finance. That is what is happening now in Canada, under the Liberal scheme, with the help of the banks, while the socialists are making plans. Why? To put the individual at the service of the state.

The policy advocated by the Social Credit party would enable every citizen to enjoy security to the greatest possible degree through his labour, science or progress. It is possible for us to achieve something in Canada, and thanks to the relations we maintain with other countries, exchange with them our goods and services. Let us ask the Bank of Canada—I would even say force it—to authorize credit and distribute abundance where it is most needed.

Stores and warehouses are loaded with goods. There is no problem there. It is the families which are deprived. Numerous fathers and mothers demand the security they need.

I heard thousands of people beg for family allowances, that social measure which the Liberal party passed in 1945—probably with the aim not only of having its wartime policies forgotten, which shrunk the size of the stomach to that of sugar coupons and gas coupons, but also its rationing policy of 1939 to 1945—

An hon. Member: In order to defeat Hitler.

Mr. Perron: The Liberals remained in power up to 1957 and by increasing family allowances by one dollar on the eve of their defeat, they acquired for themselves the benches they now occupy.

I was saying that we are neither singing the same tune on the same wave length, as our friends facing us, when in this twentieth century, when developments in science permit us to hope to land on the moon before long, we do not know how to distribute carrots in this country.

Mr. Chairman, let us revert to factual data, to the real function of industry. When we talk of creating industries and creating production, is the function of industry to give employment, to occupy the labour force, or to produce an adequate volume of goods to satisfy some requirements of society? If this is its true function, let us take action to put to service the daily commodities we need and let us look elsewhere but rest in the plans suggested to us as so-called solutions to contemporary problems.

Let us put the Canadian dollar back where it belongs, let us make it play its true part, because a monetary system does not exist to create complexity, but rather to ease economic and social dealings among people made to live in society.

The true function of the monetary system is not to create complications but rather to facilitate economic relations between human beings who are expecting from us a policy which will respect the human person, the result of which being that money is placed at the service of man. This is what society expects from us legislators.

Mr. Chairman, when members sitting in this part of the house suggest to place at the disposal of municipalities, through the medium of the Bank of Canada, the credit needed to allow them to undertake vast programs of economic expansion and municipal development, I must say that I have more confidence in their sincerity than in that of those members who are sitting in other parts of the house.

Such a policy would have at least two effects: first of all, it would allow our municipalities to stop going into debt with investment dealers or money lenders throughout the world, at exorbitant interest rates.

In addition this would enable us to place the Bank of Canada at the service of the people by providing loans at an interest rate equal to the administrative costs only. That is what we are asking for, and we believe our request is justified.

Mr. Chairman, we have heard our friends opposite ask that interest free loans be granted to foreign countries to encourage the exportation of our wheat surpluses. Are we not more logical in asking that the Bank of Canada lend money to our municipalities, without any interest, to enable us to develop our vast and beautiful country?

Mr. Chairman, may I call it ten o'clock?

Some hon. Members: No. Keep on.

An hon. Member: It is only two minutes to ten.

The Deputy Chairman: Order.

Mr. Rouleau: He has two more pages to read.

The Deputy Chairman: Order. It being ten o'clock, shall I rise, report progress, and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

(Text):

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Before you leave the chair, Mr. Speaker, may I ask the leader of the house if he could indicate, on the assumption that this debate is going on tomorrow, what would be taken up if it should be concluded and what the program is after this debate is concluded.

Mr. Churchill: Mr. Speaker, after the general debate is concluded we will then deal with the four resolutions and hope to get those finished before very long. The plan is to carry on tomorrow in committee of ways and means and similarly on Thursday if we are making good progress. On Friday we will interrupt the committee of ways and means and deal with certain legislative matters. Then if we are still not finished with the resolutions we would revert to them I presume on Monday and Tuesday of next week.

Mr. Pickersgill: For the convenience of hon. members I wonder whether it would be possible for the leader of the house to indicate what legislative proposals it is contemplated the government will call on Friday, so that hon. members could be prepared to debate them. I feel this information would expedite the debates in the house.

Mr. Churchill: It is the practice always of opposition parties to be prepared at any moment for any debate. However, I will endeavour to meet the hon. member's wishes tomorrow night.

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

HOUSE OF COMMONS

Wednesday, October 24, 1962

The house met at 2.30 p.m.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

TRAVELLING EXPENSES OF CABINET MEMBERS

Question No. 58—**Mr. Howard:**

1. Did any members of the cabinet incur any travelling expenses between April 1, 1962, and June 30, 1962, inclusive?

2. If so, for each member of cabinet, what was, for each day, the amount of expenses incurred, the point or place travelled to, and the purpose of the visit?

Answer by: **Mr. Halpenny:**

1. Yes.

2. The information available does not permit an answer to be given to this part of the question.

TRUCKING FIRMS OWNED BY C.N.R.

Question No. 122—**Mr. Fisher:**

1. What is the situation at the present time on the ownership or share of ownership that the C.N.R. possesses in the various trucking companies that it has acquired in the last three years?

2. How much money has the C.N.R. paid out for each company up to this time?

3. What portion does this total represent of the moneys set aside by the C.N.R. for these purposes?

4. Which of these acquired trucking companies (if any) made a profit in the last year of financial record, and in each case, what was disposal of such profit?

5. By company, what number of trucks were acquired, and how many are in operation at the present time?

Answer by: **Mr. McBain:**

The management of Canadian National Railways advise as follows:

1. 100 per cent share ownership in the following: Sydney Transfer and Storage Limited, Eastern Transport Limited, Toronto-Peterborough Transport Limited, Hoar Transport Limited, East-West Transport Limited, Empire Freightways Limited, Wacos Holdings Limited, Montalta Holdings Limited. 49 per cent Midland Superior Express Limited. Agreement to purchase 100 per cent shares of Husband Transport Limited.

2, 3 and 4. Information concerning these questions with respect to the last year of financial record may be found on pages 10 and 12 of the Canadian National Railways annual report for 1961.

5. For all companies the number of units at acquisition—817; the number of units in operation as at August 31, 1962—949.

WAR DISABILITY PENSIONS

Question No. 142—**Mr. Matheson:**

1. What is the comparative value of a 100 per cent disability pension each year since 1945? (taking into account changes in rates of pension, value of money, cost of living).

2. How many war disability pensions were administered by the Canadian pension commission in 1956 and in 1961, and what was (a) the average annual payment with respect to such pensions in each year (b) the total payout to all veterans or their dependants in each year?

3. What is the total cost to Canada of the Department of Veterans Affairs in 1956 and in 1961?

Answer by: **Mr. Churchill:**

1. Canadian Pension Commission

Calendar Year	100 Per Cent Pension Rates in Current Dollars		Consumer Price Index (1949=100)	100 Per Cent Pension Rates in 1949 Dollars	
	Single	Married Plus 2 Children		Single	Married Plus 2 Children
	$	$		$	$
1945	900	1,524	75.0	1,200	2,032
1946	900	1,524	77.5	1,161	1,966
1947	900	1,524	84.8	1,061	1,797
1948	1,128	1,908	97.0	1,163	1,967
1949	1,128	1,908	100.0	1,128	1,908

Questions

1. (Continued.) Canadian Pension Commission

Calendar Year	100 Per Cent Pension Rates in Current Dollars		Consumer Price Index (1949=100)	100 Per Cent Pension Rates in 1949 Dollars	
	Single	Married Plus 2 Children		Single	Married Plus 2 Children
	$	$		$	$
1950	1,128	1,908	102.9	1,096	1,854
1951	1,128	1,908	113.7	992	1,678
1952	1,500	2,460	116.5	1,288	2,112
1953	1,500	2,460	115.5	1,299	2,130
1954	1,500	2,460	116.2	1,291	2,117
1955	1,500	2,460	116.4	1,289	2,113
1956	1,500	2,460	118.1	1,270	2,083
1957	1,800	2,820	121.9	1,477	2,313
1958	1,800	2,820	125.1	1,439	2,254
1959	1,800	2,820	126.5	1,423	2,229
1960	1,800	2,820	128.0	1,406	2,203
1961	2,160	3,444	129.2	1,672	2,666

2. Canadian Pension Commission

	1956	1961
Number of disability pensions	160,164	153,897
(*a*) Average annual pension payment	$595.46	$810.30
(*b*) Total pension payments under the Pension Act	$130,806,662	$174,887,240

3. The total cost of the Department of Veterans Affairs and the Canadian pension commission and the war veterans allowance board was as follows:

	Fiscal Year 1955-56	Fiscal Year 1960-61
Statutory benefits	$187,490,789	$221,833,528
Administration	60,968,965	70,464,168
Loans, investments and advances	20,494,645	30,926,947
Total	$268,954,399	$323,224,643

C.N.R. PASSENGER TRAFFIC

Question No. 176—**Mr. Mather:**

Is the effort, being made by the Canadian National Railways, to regain passenger traffic proving at all successful and (a) if not, does the railway plan to continue the effort (b) if so, why is passenger train service, such as trains 3 and 4 between Saskatoon and Vancouver, being discontinued?

Answer by: **Mr. McBain:**

The management of Canadian National Railways advise as follows:

It is the objective of the company to compete vigorously for passenger business in those areas where facilities and size of the travel market provide a reasonable expectation that the company can realize a profit by so doing, and to withdraw from those services that in spite of reasonable efforts do not produce sufficient revenues to offset their operating costs and have no reasonable prospect of doing so.

[Mr. Churchill.]

With reference to part (b) of the question certain adjustments are being made in train services all across the system in keeping with the travel demand throughout the winter season. These changes become effective with the fall timetable change October 28, 1962 (this is normal practice throughout the railway industry generally).

ADMISSION OF FIANCEES OR RELATIVES OF CHINESE IN CANADA

Question No. 183—**Mr. Wahn:**

1. Does the Department of Citizenship and Immigration refuse or delay applications made by Canadian citizens of Chinese origin to bring their fiancees, wives, or other relatives to Canada as sponsored immigrants in cases where the department is not satisfied as to the true identity of such Canadian citizens or as to the legality of their original entry into Canada?

2. Does the department refuse or delay applications made by persons of Chinese origin eligible for entry to Canada under section 31(a) of the

immigration regulations in cases where such persons are related to Canadian citizens or residents of Canada of whose identity or of the legality of whose entry to Canada the department has some doubt?

Answer by: **Mr. McGee:**

1. In all cases involving an application to bring a sponsored immigrant to Canada the bona fides of the applicant, his true identity, and the true identity and relationship to the applicant of the prospective immigrant must be satisfactorily established before a determination can be made of the admissibility of the proposed immigrant under the regulations. If the identity of the sponsor is in doubt, it follows that his true relationship to the proposed immigrant cannot be established until those doubts are removed. Instances have arisen in which it has been established that the applicant has entered Canada and later obtained a Canadian citizenship certificate under a false identity. It is not possible for such applicants to sponsor the admission of others without first clearing up their own identity.

2. Immigrants admitted under section 31(a) of the immigration regulations may be sponsored or unsponsored. With respect to those sponsored under the provisions of section 31(a) (iv) the answer is as in (1) above.

The existence of relatives in Canada whose identity may be in doubt would not prejudice the application of an unsponsored immigrant applying under section 31(a) (i), (ii) or (iii), who could satisfactorily establish his own identity and meet the other requirements of the Immigration Act and regulations.

*GARNEAU-MONTREAL TRAIN SERVICE

Question No. 191— **Mr. Matte:**

Has the Canadian National Railway Company reconsidered its decision to suspend its service (trains 109-110 and 119-120), for Garneau-Montreal, and will an equally good alternative be provided for people of northern Mauricie if the said service is suspended at the end of this month?

Mr. McBain: The management of Canadian National Railways advise as follows:

A thorough examination has been made of all aspects of the situation, and patrons making use of passenger service to and from the northern Mauricie area will not be affected by the cessation of the trains referred to.

SECURITY INSTITUTIONS—INMATE COSTS

Question No. 202—**Mr. Matheson:**

What was the average cost of maintaining one inmate during the year 1961 in (a) federal institutions of all types (b) maximum security institutions (c) medium security institutions (d) minimum security institutions (e) farm and work camps?

Answer by: **Mr. Bell (Saint John-Albert):**

The average cost of maintaining one inmate in 1961-62 was: (a) federal institutions of all types: $2,563.72; (b) maximum security institutions: $2,377.49; (c) medium security institutions: $3,061.92; (d) minimum security institutions: $2,316.21; (e) work camps: $3,038.50.

N.B. (a) Farm camps are operated as part of the main institution and operating costs are not kept separately. (b) None of the work camps reached anything approaching its maximum population during 1961-62 and the cost per inmate is higher than it will be when the camps have their full complement of inmates.

DEVELOPMENT OF NATURAL RESOURCES

Question No. 258—**Mr. Caouette:**

In order to promote the economic growth of Canada and to develop as quickly as possible the natural resources of this country, what steps does the government intend to take?

Answer by: **Mr. Diefenbaker:**

Certain measures to promote ever increasing economic growth in Canada during the present session of parliament were outlined in the throne speech. Further measures will be referred to in the budget.

SEWAGE DISPOSAL PLANTS—FORGIVENESS OF LOANS

Question No. 263—**Mr. Addison:**

Is it the intention of the government to continue the 25 per cent forgiveness of loans under the C.M.H.C. with regard to sewerage disposal plants after March 31, 1963, and, if so, when will this be announced?

Answer by: **Mr. Fulton:**

The question deals with a matter of policy and as was said in the House of Commons on October 10, 1962, as can be found at p. 369 of the unrevised edition of *Hansard*, "I have asked Central Mortgage and Housing Corporation to study...the general question of the further application of the sewage disposal plan". When a decision will have been reached, the house will be advised in the usual way.

SENNETERRE, QUE.—EMPLOYMENT OFFICE

Question No. 269—**Mr. Laprise:**

1. Has the Department of Labour been asked to open an employment office at Senneterre and, if so, on what date?

2. Has the department reached a decision and, if so, what decision?

Answer by: **Mr. Hales:**

1. Yes. Representations were received on March 9 and June 4 for the opening of an office of the unemployment insurance commission in Senneterre, P.Q.

2. Yes. It was considered not advisable to open such an office in Senneterre.

Questions

FRESHWATER, NFLD. POST OFFICE

Question No. 280—**Mr. Cashin:**

Are plans and specifications of the Freshwater post office ready and, if so, when is the construction scheduled to begin?

Answer by: **Mr. McCleave:**

Plans and specifications for the Freshwater post office are complete. Tenders have been received and are being reviewed and providing they are in order a contract award will be made shortly for the early commencement of this project.

SKIING IN ATLANTIC PROVINCES NATIONAL PARKS

Question No. 282—**Mr. MacInnis:**

1. What steps has the government taken to add skiing to the present facilities of any of the national parks in the Atlantic provinces?
2. Has any report been received on the feasibility of ski runs in the Atlantic provinces national parks?
3. Has the government received any representation since January 1, 1962, from any person or groups relating to this matter and, if so, when, from whom, and to what general effect?

Answer by: **Mr. Dinsdale:**

1 and 2. In the fall of 1961, arrangements were made for a ski expert, Mr. Franz Baier, to undertake a technical survey of the hills in Fundy and Cape Breton Highlands national parks to determine their potential for ski purposes.

Reports have been received from Mr. Baier on the feasibility of ski developments in these two national parks. His technical assessment covered four sites in Cape Breton Highlands national park as well as a number of sites outside the boundaries of the park in the bay St. Lawrence area. The sites within the park are located at Clyburn brook, McIntosh brook, north Aspy and south Mountain. Only the north Aspy and south Mountain sites were considered to be technically suited. In the light of such other factors as long range development planning, economic feasibility and park concepts, it was decided that South Mountain was the only site that could be considered for development.

The technical report on Fundy national park indicated that there were no sites in the park that could be developed into good public and recreational skiing areas. There were no hills or slopes with northern exposure that had the required length, degree of slope or smooth average ground surface. Nevertheless, the report mentioned the possibility that a week end skiing site might be developed at Alcorn hill but indicated that snow conditions are normally quite unreliable. The report also stated that two areas outside the park—Albert and the Elgin and South branch —had far greater potential for development.

3. During January and February of this year I received representations from several members of this house, including the hon. member for Saint John-Albert, the hon. member for Cape Breton North and Victoria and the former member for Westmorland. During the same period, representations were received as well from Mr. W. A. N. Macdonald, tourist co-ordinator for the southeastern New Brunswick tourist bureau and from Mr. Douglas Mahon of Halifax. I also held discussions with interested individuals in the areas concerned and with representatives from local chambers of commerce. In all of these representations, information was sought as to the feasibility of developing skiing facilities in Cape Breton Highlands and Fundy national parks.

SEWAGE TREATMENT PROJECTS—EXTENSION OF TIME

Question No. 304—**Mr. Rock:**

Is the government considering the advisability of extending the date from March 31, 1963 to March 31, 1965, of the National Housing Act pertaining to financial aid and loans for municipal sewage treatment projects?

Answer by: **Mr. Fulton:**

The question deals with a matter of policy and as I said in the House of Commons on October 10, 1962, as can be found at p. 369 of the unrevised edition of *Hansard*, I have asked "Central Mortgage and Housing Corporation to study . . . the general question of the further application of the sewage disposal plan". When a decision will have been reached, the house will be advised in the usual way.

*MISSING PTARMIGAN AIRWAYS PLANE

Question No. 312—**Mrs. Hardie:**

1. Is the Department of Transport aware that a Ptarmigan airways plane has been lost for some two weeks and a half in the Yellowknife district with a pilot and three passengers aboard?
2. What efforts have been made by the department to search for the plane and its occupants?
3. Is the D.O.T. responsible for air rescue operations in Canada and, if so, what action was taken by this division to assist the lost plane?
4. Does the department reimburse private plane operators who go to the rescue of lost planes as to the gas, oil, and lost time encountered on such trips?

Mr. McBain:

1. Yes.

2. The Department of Transport's role is determined in accordance with co-ordinated plans of the Department of National Defence which is responsible for search and rescue and involves the use of whatever facilities such as communications service, traffic control information, etc., may be called upon by the Royal Canadian Air Force in this connection. Information given by the Department of National Defence regarding search activities would cover any assistance provided by the Department of Transport.

3. No.

4. No.

VETERANS RECEIVING PENSIONS

Question No. 316—**Mr. Ouellet:**

How many veterans are receiving a pension (state complete details on the rate of pensions paid to the veterans), and what duration of service is required to entitle a veteran to a pension?

Answer by: **Mr. Churchill:**

151,515 veterans are receiving pension under the Pension Act.

The rates of pension are laid down in schedules A and B of the Pension Act.

Length of service is not a factor in awards of disability pension.

IMPORTS OF BUILDING STONE AND GRANITE

Question No. 317—**Mr. Frenette:**

What quantities of building stone and granite have been imported into Canada during 1959-60-61, and to what extent have such materials been used in the construction of federal government buildings?

(Translation):

He said: Mr. Speaker, may I be allowed to withdraw that question.

Mr. Speaker: Withdrawn.

(Text):

Order discharged and question withdrawn.

NATIONAL PARKS—CHARGE TO MOTORISTS

Question No. 329—**Mr. Mather:**

1. What is the charge for persons entering the national parks of Canada?

2. Is this charge levied on motorists who must pass through such parks while using the trans-Canada highway?

Answer by: **Mr. Dinsdale:**

1. The fees charged for persons entering the national parks of Canada are set out in the attached schedule.

2. Yes.

[*Editor's note: Schedule referred to above is as follows:*]

SCHEDULE

Fees for park motor licences in the national parks of Canada

Questions

1. Automobile or motorcycle entering Banff, Jasper, Yoho, Kootenay, Glacier and Mount Revelstoke national parks
   - (a) licence for vehicle ..... $ 2.00
   - (b) licence for vehicle with trailer attached 3.00
   - (c) single trip receipt, available only from November 1 in any year to March 31 next following,
     - (i) fee for vehicle ..... .50
     - (ii) fee for vehicle with trailer attached 1.00

2. Truck having a carrying capacity of not more than one ton, used for the transportation of passengers only, entering Banff, Jasper, Yoho, Kootenay, Glacier and Mount Revelstoke national parks
   - (a) licence for truck 2.00
   - (b) licence for truck with trailer attached 3.00

3. Automobiles and motorcycles entering Waterton lakes, Prince Albert, Riding Mountain, Elk Island and Point Pelee parks—
   Licence good for any number of trips during fiscal year ending March 31 .. 1.00
   with trailer attached 2.00
   Fee for each single trip during fiscal year ..... .25
   with trailer attached ..... .50

4. Trucks having a carrying capacity of not more than one ton used for the transportation of passengers only entering Waterton lakes, Prince Albert, Riding Mountain, Elk Island and Point Pelee parks—
   Licence good for any number of trips during fiscal year ending March 31 .. 1.00
   with trailer attached 2.00
   Fee for each single trip during fiscal year ..... .25
   with trailer attached ..... .50

5. A bus entering Banff, Jasper, Yoho, Kootenay, Glacier or Mount Revelstoke national park
   - (a) single trip fee for bus where the superintendent is satisfied that
     - (i) the bus is owned or hired by
       - (A) a university, school or other educational institution, or
       - (B) a welfare agency, service club, fraternal group or other non-profit organization,
     - (ii) the purpose of entering the park is a visit by the staff, students or members of the institution or organization or by the persons for whose benefit the organization is operated,
     - (iii) the visit has not been arranged for the purpose of bringing financial gain to the institution or organization, and
     - (iv) the principal purpose of the institution or organization is not the preparation of tours for, the conducting of tours for or the transporting of its staff, students or members or the persons for whose benefit the organization is operated 2.00
   - (b) licence for bus, where bus is on a regular interprovincial schedule in these parks based on mileage travelled on highways during fiscal year
     - (i) for first 10,000 miles or part thereof payable on issuance of licence 525.00
     - (ii) for each additional 10,000 miles or part thereof, payable upon expiration of licence 525.00
   - (c) fee for bus other than a bus described in paragraph (a) or (b), for each passenger mile ..... ½c

6. Buses entering Waterton lakes, Prince Albert, Riding Mountain, Elk Island and Point Pelee parks—
   single trip ..... .50

NOTE: The fees in section 6 are subject to 10 per cent discount if a regular service is maintained and the fees covering the estimated number of trips are paid in advance.

7. Trucks entering Kootenay national park at the west gate and proceeding not farther than Radium Hot Springs townsite:

Questions

(a) with carrying capacity up to and including two tons
(i) single trip ..... $ .25
(ii) fifty trips 10.00
(iii) licence good for any number of trips during fiscal year ending March 31 ..... 20.00
(b) with carrying capacity exceeding two tons
(i) single trip ..... .50
(ii) fifty trips 15.00
(iii) licence good for any number of trips during fiscal year ending March 31 ..... 25.00
(c) trucks having a carrying capacity of not more than two tons, used for the transportation of passengers only between the western gate of Kootenay national park and Radium Hot Springs townsite
Licence good for any number of trips during fiscal year ending March 31 ..... 2.00

7A. Trucks entering Banff, Jasper, Yoho, Kootenay, Glacier and Mount Revelstoke national parks, other than those described in Item 7,
(a) with carrying capacity up to and including two tons
(i) single trip fee 1.00
(ii) fifty trip fee 25.00
(iii) licence 50.00*
(b) with carrying capacity exceeding two tons
(i) single trip fee 2.00
(ii) fifty trip fee 50.00
(iii) licence 100.00*

*NOTE: These licences are good for any number of trips during fiscal year ending March 31.

8. (1) Trucks entering Waterton Lakes, Prince Albert, Riding Mountain, Elk Island and Point Pelee parks, other than those described in subsection (2):
single trip ..... .50
with trailer attached—single trip 1.00
(NOTE: Fees for trucks entering Waterton Lakes, Prince Albert, Riding Mountain, Elk Island and Point Pelee parks are subject to 10 per cent discount if a regular service is maintained and fees covering the estimated number of trips per month paid in advance.)
(2) Trucks entering Riding Mountain national park at the south gate and proceeding not farther than mile 9 on number 10 highway;
(a) with carrying capacity up to and including two tons
(i) single trip ..... .25
(ii) fifty trips 10.00
(iii) licence good for any number of trips during fiscal year ending March 31 ..... 20.00
(b) with carrying capacity exceeding two tons
(i) single trip ..... .50
(ii) fifty trips 15.00
(iii) licence good for any number of trips during fiscal year ending March 31 ..... 25.00

NEW BONAVENTURE, NFLD., HARBOUR BUOY

Question No. 330—**Mr. Tucker:**

Is it the intention of the Department of Transport to install a light or a buoy at the entrance to the harbour at New Bonaventure, Newfoundland?

[Mr. Dinsdale.]

Answer by: **Mr. McBain:**

No aid to navigation is planned at the entrance to the harbour at New Bonaventure but there is under consideration the question of an installation at Old Bonaventure, in regard to which the hon. member has communicated with the department.

*CLOSING OF C.N.R. STATIONS, NEWFOUNDLAND

Question No. 331—**Mr. Tucker:**

Has the Canadian National Railways reconsidered its decision to close railway stations at Brigus, Port Rexton, Spaniard's Bay and Trinity, in the province of Newfoundland?

Mr. McBain: The management of Canadian National Railways advise as follows:

The situation with respect to the stations referred to in the question is still under study.

*SALARIES OF C.B.C. MODERATORS

Question No. 333—**Mr. Marcoux:**

Has the Minister of Labour ascertained whether the television hosts or moderators of the Canadian Broadcasting Corporation are paid at least a minimum salary?

Mr. Hales: I am informed by the Canadian Broadcasting Corporation that in most cases television hosts or moderators are paid no less than the minimum fees arrived at in the process of collective bargaining between the union or unions involved and the corporation. In some instances, where the programs and persons concerned do not come within the jurisdiction of any union for the purpose of payment of talent fees, hosts and moderators are paid an honorarium mutually agreeable to both the host or moderator concerned and the corporation.

CHAPLEAU COUNTY, QUE.—PAYMENT FOR WINTER WORKS

Question No. 337—**Mr. Laprise:**

Have all the municipalities of the county of Chapleau, which have had works done under the winter works program during the 1961-62 season been reimbursed, and, if not, why; and when will they be reimbursed?

Answer by: **Mr. Hales:**

Under the municipal winter works incentive program for 1961-1962, 24 projects submitted by municipalities in the county of Chapleau were accepted. Final statements of claim have been submitted by the province in respect to 19 of these projects. Payment of 15 of these claims has been made to the province and payment of the other four will be made within the course of the next day or so.

In addition, interim claims have been submitted by the province in respect to three of the other projects. Payment of two of these

interim claims has been made to the province and payment of the other one will be going forward within a day or so.

No claims have as yet been received in respect to two of the projects authorized.

All federal payments under the municipal winter works incentive program are made to the province for reimbursement to the municipalities.

*BILINGUAL REQUIREMENT, CIVIL SERVICE VACANCIES

Question No. 338—**Mr. Laprise:**

When the civil service commission advertises vacancies in the service, why is knowledge of both official languages not an essential requirement in all the provinces of Canada?

Mr. Halpenny: In establishing language qualifications required of persons appointed to the civil service, the civil service commission is governed by the provisions of Section 47 of the Civil Service Act which states in part "that the number of employees ...who are qualified in the knowledge and use of the English of French language or both, shall...be sufficient to enable the department or local office to perform its functions adequately and to give effective service to the public".

In carrying out this statutory injunction the commission, as a matter of practice, normally requires that all employees be bilingual in an office where the minority, English or French speaking, of the persons served by that office exceeds 40 per cent of the total population served by that office. Where the minority served by an office is less than 40 per cent of the total population served, then the commission normally requires that employees knowledgeable in the use of both languages be at approximately the same proportion to the whole office staff as the minority is to the total number of persons served.

CAPE BRETON, N.S.—PUBLIC WORKS PROJECTS

Question No. 343—**Mr. MacInnis:**

1. What public works projects are scheduled to be undertaken in 1962-63 in industrial Cape Breton?
2. What projects have been, or will be, delayed as a result of the cuts in government spending?

Answer by **Mr. McCleave:**

1. The following projects are now in progress in the industrial constituencies of Cape Breton South and Cape Breton North and Victoria: Reserve Mines, new post office building; Sydney Mines, new federal building; North Sydney, additions and alterations to the federal building.

2. None are being delayed as a result of cuts in government spending.

*VESSEL CONSTRUCTION UNDER SUBSIDY PLAN

Question No. 345—**Mr. Chevrier:**

1. Following the announcement made in the house on May 12, 1961, by the Minister of Transport establishing a plan for construction subsidies to Canadian registered vessels, how many (a) ocean going ships (b) coastal or lake vessels (c) tankers, have been built under this plan?
2. Are any corporations or subsidiaries thereof owned by United States citizens taking advantage of this plan and, if so, how many vessels, ocean-going, coastal or lake, and tankers are being built or are under contract to be built by such corporations or subsidiaries thereof, and what are the names of such corporations?
3. Are any corporations or subsidiaries thereof owned by foreign citizens, other than United States citizens, taking advantage of this plan and, if so, how many vessels, ocean-going, coastal or lake, and tankers are being built or have been contracted to be built by such corporations or subsidiaries thereof?

Mr. Hales:

1. (a)—1 capable of ocean-going. (b)—92. (c)—3 capable of ocean-going.

2. No investigations have been made to establish whether corporations are subsidiaries of corporations owned in the U.S.A. or any other country. The regulations require the shipowner to be a Canadian citizen, a corporation incorporated under the laws of Canada or of any province, or Her Majesty in right of any province.

3. Answered by No. 2.

ACTION TAKEN RESPECTING BERLIN CRISIS

Question No. 348—**Mr. Matheson:**

1. Since July 4, 1961, when the Prime Minister spoke of the critical character of the Berlin crisis, how many military personnel have been returned to Canada from Europe?
2. How many wives and children of Canadian servicemen are now residing in Germany?
3. What provisions have been made for the safety of these dependents in the event of the outbreak of war in Germany?
4. Does the Berlin situation warrant a re-examination of the cut-back program in service strength?

Answer by **Mr. Harkness:**

1. 4,763.

2. 15,105.

3. Provision for the safety of dependants in Europe cannot be guaranteed. However, there are plans for their dispersal to selected areas or evacuation from the continent. The carrying out of these plans would depend on the type of emergency which might arise.

4. Plans are being reviewed to meet all possible contingencies.

C.N.R. SET-OFF YARD, TORONTO

Question No. 357—**Mr. Sams:**

Have representations been received from the Aldershot property owners association in opposition to the site selected for a proposed set-off yard of the Canadian National Railways and (a) if so, has the company taken any action in an effort to find an alternative site (b) if not, will the

minister request that the company give immediate consideration to the desirability of finding an alternative site?

Answer by: **Mr. McBain:**

The management of Canadian National Railways advise as follows:

Representations have been received and officers of the great lakes region have held meetings with the mayor and councillors in order to explain what is involved. The existing main line through Burlington was constructed in 1855, and the planned set-off tracks are an essential part of the operations to serve the industrial complex between Burlington and Mimico and the connection with the line to the new hump yard. The railway officers have made an extensive examination of the situation as to the location of the set-off tracks and several sites were examined in the course of which many factors had to be taken into account such as operating conditions, and engineering limitations. Every effort has been made in the over-all project in order that the minimum of disturbance would be caused to communities.

H.M.C.S. "MACKENZIE"

Question No. 359—**Mr. Matheson:**

1. What is the approximate total cost to construct and fit H.M.C.S. *Mackenzie*?
2. How many ships are to be constructed in this destroyer class, and at what estimated total cost?
3. Does this ship possess speed equal or superior to the estimated submerged speed of the Soviet nuclear-powered four-theatre submarine fleet?

Answer by: **Mr. Harkness:**

1. $25,750,000.

2. Six, at a total estimated cost of $154,500,000.

3. The nuclear submarine has a speed advantage over that of the *Mackenzie* class and similar type vessels, but speed is not the only means of the surface ship dealing with submarines.

DOKIS INDIAN SCHOOL, ONT.—TEACHING APPOINTMENTS

Question No. 361—**Mr. Godin:**

Since 1960, were Mr. McLean, Mrs. Fraser, and Mrs. Lester, appointed to teach at the Dokis Indian day school in the district of Parry Sound, province of Ontario, and, if so, what was (a) their period of employment (b) their duties (c) the monthly and total salary received?

Answer by: **Mr. McGee:**

The answer to the first part of the question is no. The remaining parts are therefore not applicable.

[Mr. Sams.]

ROTATION TIME OFF SCHEDULE—UNEMPLOYMENT INSURANCE

Question No. 362—**Mr. Godin:**

1. Since the coming into force of the Unemployment Insurance Act, did any firms adopt the "rotation time off schedule" (e.g., five weeks work, one week off) instead of fully laying off a specified number of men, and, if so, did the unemployment insurance commission on such occasion grant any concession covering the one week waiting period for benefits?
2. At what date, and by what firms, was the "rotation time off schedule" adopted; and at what times, and for the employees of which firm, did the commission grant concessions under (1) above?

Answer by: **Mr. Hales:**

1. Several firms have followed a work pattern whereby their employees worked one or more full weeks followed by a lay-off of a week or more and, after serving the waiting period, these employees were paid unemployment insurance benefit in respect of the week(s) of unemployment.

No concessions have been made by the commission with respect to the waiting period in such circumstances.

It is pointed out, however, that section 152 of the unemployment insurance regulations provides for waiving of the waiting period under certain conditions when a new claim immediately follows the termination of a previous claim, and this has been used where applicable.

2. No record is kept of the firms who have followed a rotation pattern of work, and, as already stated, no concessions have been granted respecting the waiting period.

*NORTHERN ONTARIO PIPE LINE CORP. HEAD

Question No. 363—**Mr. Fisher:**

1. Who is the head of Northern Ontario pipe line crown corporation?
2. What remuneration, if any, does he receive for fulfilling this function?
3. If no remuneration is involved, can the government say what incentive exists to hold this position?

Mr. Nesbitt:

1. Mr. D. A. Golden.

2. The directors of the corporation are entitled to receive, for attendance at directors' meetings, the actual travelling and living expenses incurred by them.

3. Mr. Golden was appointed as president at the time of the establishment of the corporation and has continued to hold this position since that date, June 7, 1956.

*VOCATIONAL TRAINING PAYMENTS, ONTARIO AND QUEBEC

Question No. 364—**Mr. Fisher:**

Did the Minister of Labour give any previous parliamentary session an estimate of what amounts of money the provinces would need for their

requirement in the technical and vocational training field up to March 31, 1967, and, if so, what was the estimate for Ontario and Quebec, and what are the figures to date of the amount of money voted or in process of going to these two provinces under the Technical and Vocational Training Assistance Act?

Mr. Hales: The answer is as follows:

Yes, on December 9, 1960 (page 681 of *Hansard*) 4th session, 24th parliament. The figures given in 1960 for Ontario were $15 million and Quebec $30 million. These were tentative estimates provided by the provinces based largely on previous experience in providing trade and other training facilities.

The amount included in the estimates for the purposes of the Technical and Vocational Training Assistance Act is not allocated for any particular province. Claims received both paid and in process since April 1, 1961 from Ontario and Quebec represent federal payments to the amount indicated; Ontario, $69,087,969; Quebec, $16,114,759.

LIGHTHOUSES AND EMPLOYEES, NEWFOUNDLAND

Question No. 369—**Mr. Cashin:**

1. How many lighthouses are maintained in the province of Newfoundland?
2. How many persons are employed to staff these lighthouses?
3. How many of these employees are appointed through the federal civil service commission?
4. How many are hired in other ways?

Answer by: **Mr. McBain:**

1. 439.
2. 376.
3. 131.
4. 245.

ARNOLD'S COVE, NFLD. BAIT DEPOT

Question No. 370—**Mr. Cashin:**

1. Who operates the bait depot at Arnold's Cove, Placentia Bay, Newfoundland?
2. When and on whose recommendation was he appointed?

Answer by: **Mr. MacLean (Queens):**

1. George H. Guy.

2. Appointed September 13, 1962 on recommendation of Minister of Fisheries.

WINTER WORKS PROGRAM IN UNORGANIZED MUNICIPALITIES

Question No. 374—**Mr. Laprise:**

Is the Minister of Labour aware that one or more county councils have refused, on financial grounds, to co-operate with the winter works program this year and, if so, is it the minister's intention to assist in some other way the parishes not organized into municipalities?

Answer by: **Mr. Hales:**

No indication has been made to the Department of Labour that county councils have refused for financial reasons to participate in the municipal winter works incentive program on behalf of settlements within their boundaries.

POST OFFICE BUILDING, SOMERSET, MAN.

Question No. 377—**Mr. Teillet:**

1. Is there a post office in Somerset, Manitoba and, if so, is the building owned by the government?
2. If under lease, what are the terms of the lease (a) as to annual cost (b) length of lease (c) date of termination (d) other costs, if any?
3. Is the government considering the erection of a new post office building in Somerset and, if so (a) what would be the cost of such a building (b) when is the beginning of construction anticipated?
4. Has a site for a post office building been purchased and, if so (a) where (b) what was the cost?
5. If a site has not been purchased, is the purchase of such site under consideration?

Answer by: **Mr. Fulton:**

1. Yes; no.

2. (a) $1,230 per annum; (b) two years and eight months; (c) November 30, 1962; (d) nil.

3. Yes; (a) not more than $25,000; (b) the winter of 1962-63.

4. No; (a) and (b) not applicable.

5. Yes. Negotiations are taking place for a site located at Carleton avenue and Second street.

TRANS-CANADA HIGHWAY, N.S. AND N.B.

Question No. 378—**Mr. Stewart:**

1. What is the standard width of surface, and the standard width of shoulders, on highways constructed with assistance under the Trans-Canada Highway Act?
2. How many miles of highway conforming to these standards had been completed as of October 1, 1962, in (a) Nova Scotia, and (b) New Brunswick?
3. What are the terminal points of the stretches of highway qualifying as trans-Canada highway in Nova Scotia?

Answer by: **Mr. McCleave:**

1. Width of surface—maximum 24 feet, minimum 22 feet. Width of shoulders, maximum 10 feet, minimum 5 feet.

2. Nova Scotia, 119 miles; New Brunswick 209 miles.

3. The terminal points of the trans-Canada highway in the province of Nova Scotia are the New Brunswick border, Caribou and North Sydney.

HOUSING STARTS AND MONEY ADVANCED, 1962

Question No. 381—**Mr. Matheson:**

1. How do housing starts each month in 1962 compare with corresponding months in 1961?
2. How do moneys advanced by C.M.H.C. each month in 1962 compare with corresponding months in 1961?

Questions

Answer by: **Mr. McCleave:**

1. Housing starts in centres of 5,000 population and over

	1961	1962
January	3,894	4,177
February	3,847	3,207
March	5,479	5,073
April	7,339	7,930
May	8,778	9,420
June	10,536	11,441
July	9,009	10,450
August	9,467	9,340
September	8,934	8,918
Total	67,283	69,956

2. Moneys advanced by C.M.H.C. for loans under the National Housing Act. (Home owners; limited dividend housing; university housing; municipal sewage treatment projects)

	1961	1962
	$ '000	$ '000
January	18,460	24,819
February	15,991	15,759
March	16,020	16,214
April	16,605	12,374
May	21,053	14,834
June	24,486	19,234
July	24,050	17,865
August	29,308	22,678
September	29,951	19,550
Total	195,924	163,327

CHIEF JOSEPH DREAVER

Question No. 390—**Mr. Howard:**

1. Since December 1, 1961, has one Chief Joseph Dreaver of the Mistawasis band of Indians been employed in any capacity with the government of Canada and, if so, what is his position and duties, how long has he been so employed, at what salary and expense allowance, what total amount of money has been paid to him as salary and expenses, and under what vote or votes of the estimates for each fiscal year during his employment has this salary and expense allowance been paid?

2. At what salary and expense allowance, if any, will the said Chief Dreaver be employed in the preparation of the written report expected to be received in December and referred to by the Minister of Citizenship and Immigration at page 625 of *Hansard* for October 17, 1962, and under what vote or votes of the estimates for this fiscal year will such salary and/or expense allowance be paid?

Answer by: **Mr. McGee:**

1. Yes. Since December 1, 1961, Chief Joseph Dreaver, senior, of the Mistawasis band of Indians has been employed by the department to survey the Indians of Saskatchewan in respect to their reactions and recommendations with regard to the findings of the joint committee of the Senate and House of Commons on Indian affairs and to submit a report thereon. For his services, Chief Dreaver will receive a total of $6,500 on the basis of $25 per diem for a five day week, this to include any travelling expenses. To September 30, 1962, Chief Dreaver received a total payment of $5,250.00 for his services from vote 40—administration, Indian affairs branch.

2. The $6,500 total payment to Chief Dreaver will include the preparation of the written report.

DAMAGE FROM PLANES BREAKING SOUND BARRIER

Question No. 391—**Mr. Brown:**

Does the government provide any remedy to individuals who suffer loss and damage to their property such as greenhouses, etc., resulting from government planes breaking the sound-barrier?

Answer by: **Mr. Harkness:**

Claims for damage caused by sonic booms are treated in the same way as other claims against the crown and liability is determined pursuant to the Crown Liability Act.

SUMMER SCHOOL STUDENTS—INCOME TAX DEDUCTIONS

Question No. 392—**Mr. Brown:**

Has the government given consideration to allowing the same deductions for income tax purposes for university summer-school students as are at present allowed for regular intramural students and, if so, what was the decision?

Answer by: **Mr. Grafftey:**

This is a matter of tax policy. Decisions concerning requests for tax changes are made known in the annual budget.

TARIFF BOARD—LIMITED EXTENSION OF RETIRING MEMBERS

Question No. 393—**Mr. Cameron (High Park):**

1. Did the federal government, by order in council in 1959, extend for a limited period the tenure of office of retiring members of the tariff board or commission?

2. If so, (a) what is the reference to such order in council (b) what was the need for passing such order in council?

Answer by: **Mr. Grafftey:**

1. Yes.

2. (a) by order in council P.C. 1959-404 of the 2nd of April, 1959.

(b) the limited extension of tenure, one month, was needed to allow the retiring members to adjudicate upon appeals which they had heard and in which the record was not completed in time to allow adjudication before the expiry of their term.

KAPUSKASING EXPERIMENTAL FARM STAFF

Question No. 396—**Mr. Habel:**

1. How many members of the Kapuskasing experimental farm's staff have been transferred or have resigned since January 1, 1961?
2. Has the Department of Agriculture considered the need of replacements so as to keep to a maximum the efficiency of services provided to agricultural districts served by the Kapuskasing experimental farm?
3. When will this experimental farm's staff be brought to its former strength?

Answer by: **Mr. Jorgenson:**

1. Four, two which have been replaced.
2. Yes.
3. As soon as possible.

FRASER RIVER TRIFURCATION

Question No. 397—**Mr. Mather:**

Is it the intention of the government to proceed at this session with legislation in respect to Fraser river trifurcation?

Answer by: **Mr. McCleave:**

No. Legislation is not necessary.

ESTABLISHMENT OF VETERINARY COLLEGE, WESTERN CANADA

Question No. 398—**Mr. Thompson:**

Has the Minister of Agriculture replied to a letter directed to him by the minister of agriculture for the province of Alberta, dated February 7, 1962, relating to the possibility of obtaining a federal grant toward the cost of establishing a veterinary college in western Canada and, if so, what was the general nature of his reply?

Answer by: **Mr. Jorgenson:**

The letter of February 7, 1962 from the minister of agriculture for Alberta was acknowledged from the office of the Minister of Agriculture on February 9, 1962. Formal conclusion to the matter raised in the letter has not yet been reached.

*PROTECTION AGAINST COUNTERFEIT BANK NOTES

Question No. 399—**Mr. Bernier:**

Have any steps been taken with a view to looking into the possibility of bringing about such improvements with respect to the printing of bank notes as would protect the public against the counterfeit money now in circulation and, if not, does the government intend to take such steps?

(Translation):

(Page 879)

Mr. Grafftey: Officers of the Bank of Canada have written or visited government agencies or commercial establishments to study the technical aspects of the production of money in the United States and various European countries.

The Bank of Canada also keeps in contact with paper manufacturers and bank note printers in this country and with the national research council and the royal mounted police while continuing to examine possible means of improving the printing of bank notes in order to protect the public against counterfeit money.

(Text):

*U.S. SUMMER RESIDENTS IN CANADA

Question No. 402—**Miss LaMarsh:**

1. What is the status of U.S. citizens, temporarily resident in Canada on summer property, who commute to their employment in the United States?
2. Are U.S. citizens, temporary residents of the Crystal Beach-Bertie township-Fort Erie area, being advised by immigration officials that they must terminate their Canadian residence by the end of October and, if so, why, and is this a new policy and practice of the department?
3. If such residents are holders of Canadian visas, can such visas be extended and, if so, for how long, and under what conditions?

Mr. Bell (Carleton): 1. United States citizens temporarily resident in Canada on summer property, whether or not they commute to employment in the United States, are admitted as non-immigrant visitors.

2. The period of non-immigrant entry for persons mentioned in this question normally expires on or before October 31 of each year, which is regarded as the end of the summer season. Persons in this category who satisfy the immigration officers concerned that they are in fact bona fide temporary residents, as distinct from permanent residents, may be allowed entry beyond October 31. If it is established that any persons originally admitted as temporary visitors have in fact become permanent residents, they are examined as immigrants. This is not a new policy or practice of the department.

3. Citizens of the United States do not require visas for entry to Canada. As indicated in the answer to question 2, temporary entry may be granted beyond October 31 to bona fide non-immigrants.

QUESTIONS PASSED AS ORDERS FOR RETURNS

*BONAVENTURE DISTRICT, QUE.—PUBLIC WORKS

Question No. 379—**Mr. Bechard:**

In the current financial year, were any public works planned for the district of Bonaventure and, if so, (a) where was it intended to proceed with them (b) what was the amount involved in each case (c) as of this date, have all these works been completed or are they in progress (d) has the austerity program affected any of the projects?

STANLEY PARK AQUARIUM, VANCOUVER

Question No. 388—**Mr. Howard:**

1. Since January 1, 1962, have any representations been received by the government or any department thereof for a contribution toward the expansion of the aquarium in Vancouver's Stanley park, and was one of these representations from the Vancouver public aquarium association?
2. What answer was given to those representations, is a contribution to be made and, if so, how much and when?

Motions for Papers

MILITARY COLLEGES—CADETS AND PROFESSORS

Question No. 395—**Mr. Dupuis:**

1. How many cadets attend the military college at (a) St. Jean (b) Kingston (c) Royal Roads?
2. How many English speaking cadets and French speaking cadets are there in each of these colleges?
3. How many officers and professors are there in each of these colleges?
4. Of these officers and professors, how many are proficient in both official languages of Canada?

Mr. Sevigny: Return tabled.

MOTIONS FOR PAPERS

CANADA'S EXCHANGE RESERVES

Motion No. 7—**Mr. Lewis:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence between the government of Canada or any minister, department or agency thereof and the international monetary fund, the export import bank, the federal reserve bank and the Bank of England concerning Canada's exchange reserves, dated since May 1, 1962, and any documents or memoranda referred to in such correspondence or otherwise exchanged between the government and the institutions named herein.

Mr. Nowlan: Mr. Speaker, with respect to this motion, I am prepared to accept it on behalf of the government subject to the usual reservation of obtaining the consent of people to whom confidential correspondence has been sent. I am sure that will be forthcoming. There is one reference here to memoranda which would include the minutes of any meeting. I could not accept that because those minutes are confidential, and I believe that the hon. member who moved the motion, to whom I have spoken, is agreeable in that regard.

Mr. Speaker: Subject to the reservation and the amendment that has been made by the minister with consent of the hon. member, is it the pleasure of the house to adopt the motion?

Motion agreed to.

EXCHANGE RESTRICTION ORDERS IN COUNCIL, 1947

Motion No. 9—**Mr. McIlraith:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all orders in council passed in November 1947 imposing exchange restrictions.

He said: Mr. Speaker, before you put this motion, I find that sessional paper No. 140 tabled on the 8th of December, 1947, contains two orders in council of the nature described in the notice of motion, and the parliamentary assistant advises me that these are the only orders in council of the kind referred to in the notice of motion. Therefore, I ask leave to withdraw the motion.

Order discharged and motion withdrawn.

[Mr. Howard.]

LUMBER EXPORTS TO U.S.

Motion No. 11—**Mr. Laing:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence between any and all departments of the government of Canada and all governmental departments and agencies in the United States dealing with the export of Canadian lumber to the United States.

Mr. Green: Mr. Speaker, the correspondence referred to in this notice of motion comprises an exchange of correspondence between the government of Canada and the government of the United States. Tabling will, of course, require the concurrence of the government of the United States. Subject to this reservation I am willing to accept the motion.

Mr. Speaker: Subject to the reservation indicated by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

ROAD TO RESOURCES, NORTHWESTERN ONTARIO

Motion No. 13—**Mr. Benidickson:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence since January 1, 1962, between the government of Canada and the government of Ontario respecting a proposed road to resources out from the Werner-Gordon lakes nickel mining territory and referred to by the Minister of Northern Affairs and National Resources on February 28, 1962, *Hansard* page 1339.

Motion agreed to.

REPORT OF CORRECTIONAL PLANNING COMMITTEE

Mr. Matheson:

That an order of the house do issue for a copy of the final report of the correctional planning committee.

Mr. Bell (Saint-John Albert): Mr. Speaker, could this stand for discussion with the mover?

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Motion stands.

ESTABLISHMENT OF PORT AT MOOSONEE, ONT.

Motion No. 24—**Mr. Peters:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, and other documents exchanged between the federal government and any other government or agency, department or branch thereof, since January 1, 1959, relating to an economic or feasibility survey to examine the possibilities of establishing a salt-water port at Moosonee.

Mr. Fulton: Mr. Speaker, on behalf of the government I am prepared to accept this motion, subject to the usual reservation regarding any confidential information and also subject to the consent of the province concerned.

Mr. Speaker: Subject to the reservation expressed by the minister is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

NO. 11 HIGHWAY OVERPASS, NEW LISKEARD, ONTARIO

Mr. Peters:

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, and other documents exchanged between the Department of Transport and its agents, and the Ontario Northland Railway and/or its agents, in the matter of a railway crossing on the newly constructed by-pass on No. 11 highway over the tracks of the O.N.R. immediately north of New Liskeard, Ontario.

He said: Mr. Speaker, I ask leave of the house to withdraw this motion, as I am told the correspondence comes solely under the responsibility of the province.

Mr. Speaker: Is it the pleasure of the house that the motion be withdrawn?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

DAIRY PRODUCTS PRICE SUPPORT—SPEECHES BY MINISTER

Motion No. 26—**Mr. Matheson:**

That an order of the house do issue for copies of all statements or speeches made by the Minister of Agriculture from April 1, 1962, to Ontario and Quebec dairy farmers concerning the production of and price support for dairy products.

Mr. Hamilton: Mr. Speaker, on behalf of the government I have great pleasure in accepting this motion without reservation.

Motion agreed to.

SHIPBUILDING SUBSIDY TO MERCHANT VESSELS

Motion No. 27—**Mr. Chevrier:**

That an order of the house do issue for a table listing particulars of merchant vessels for which a shipbuilding subsidy assistance has been paid or for which contracts have been approved, as of October 15, 1962, covering the shipyard, the name of the vessel, the type of vessel, the approved capital cost, the amount of the subsidy, the gross tonnage, and the name of the owner, in the same manner as outlined in table VI, appendix "F" of the fifteenth report of the Canadian maritime commission, June 29, 1962.

Motion agreed to.

NATIONAL PRODUCTIVITY COUNCIL

Motion No. 28—**Mr. Howard:**

That an order of the house do issue for a copy of a summary of discussions and points of view and the decisions made at each meeting of the national productivity council.

Motion agreed to.

Inquiries of the Ministry

SALES AND COMMITMENTS, DOLLARS AND POUNDS

Motion No. 29—**Mr. Turner:**

That an order of the house do issue for a copy of a table showing, day by day, the amount of the forward commitments entered into by the Bank of Canada to buy or sell U.S. dollars or pounds sterling, from April 9 to June 24, 1962, inclusive.

Motion agreed to.

EXCHANGE FUND HOLDINGS

Motion No. 30—**Mr. Turner:**

That an order of the house do issue for the production of a statement of the total official holdings of gold and foreign exchange, including U.S. dollars, held in the exchange fund account and Bank of Canada at the beginning of business on April 9, 1962.

Motion agreed to.

COMMITMENTS TO BUY OR SELL DOLLARS OR POUNDS, APRIL 9

Motion No. 31—**Mr. Turner:**

That an order of the house do issue for the production of a statement of the total forward commitments to buy or sell U.S. dollars or pounds sterling, entered into by the Bank of Canada, as at the beginning of business on April 9, 1962.

Motion agreed to.

LYSERGIC ACID DIETHYLAMIDE

Motion No. 32—**Mr. Matheson:**

That an order of the house do issue for a copy of all communications addressed to the food and drug directorate or to the Department of National Health and Welfare respecting the use, and the withdrawal from use, of the drug lysergic acid diethylamide.

Mr. Monteith: Mr. Speaker, subject to the usual reservations concerning communications within the department or interdepartmental being privileged, and if there is any communication or correspondence with the provinces I would first have to get their permission.

Mr. Speaker: Subject to the reservations as indicated by the minister, is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

UNITED NATIONS

ANNIVERSARY OF FOUNDING OF ORGANIZATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise on a point of privilege. In view of the fact that this is United Nations' day, and never was there such an important reason for expressing our loyalty to the United Nations than on this particular day, during a time of crisis; in view of the fact that the Prime Minister has already made a statement outside the house with respect to

this very important day, and in order that the hon. members of all parties will have the opportunity to participate and express the same loyalties and opinions on this occasion in the house, would the Prime Minister ask the permission of the house to revert to motions for that purpose?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not think this has ever been customary; therefore I see no reason to make the motion requested.

EXTERNAL AFFAIRS

RESOLUTION OF ORGANIZATION OF AMERICAN STATES

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I would like to ask the Prime Minister whether the government proposes to associate Canada with the resolution passed unanimously yesterday by the American republics at the meeting of the organization of American states which endorsed the policy of the United States in steps to halt the flow of offensive missile weapons to Cuba from the Soviet bloc; and may I ask him also whether Canada was represented by an observer at that meeting?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, Canada did not have an observer at the meeting, and I think it would be presumption on my part to give the views of Canada with respect to an organization of which we have not been and are not now a member.

[*Later:*]

Mr. Frank Howard (Skeena): I should like to direct a question to the Prime Minister or to the Secretary of State for External Affairs. In order that Canada may bring her desires for peace fully to bear on the United States and other countries, has any consideration been given to joining the organization of American states so that we may use that forum for our activities?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have nothing further to add to that which has been said on previous occasions. The membership or nonmembership of Canada at this time in the organization of American states neither would contribute to nor detract from contributing to the desirable end all of us have in mind.

INQUIRY AS TO HEAD OF CANADIAN DELEGATION AT UNITED NATIONS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Secretary of State for External Affairs, in view of the seriousness of the hours through which we are passing, and the important events that are taking place at the United Nations, who is in charge of the Canadian delegation at the moment?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the permanent Canadian representative is Mr. Paul Tremblay.

[*Later:*]

Mr. Martin (Essex East): Mr. Speaker, may I ask the Secretary of State for External Affairs another question somewhat related to my earlier one and to one which I asked yesterday. In view of the fact that the Secretary of State for External Affairs, for reasons best known to himself, has decided that at this time he should not be at the United Nations, does he not think that in view of all the circumstances it is in the national interest that at least his parliamentary secretary, at any rate, should be present at the United Nations in New York at this time?

Mr. Green: Mr. Speaker, the parliamentary secretary was at the United Nations last Thursday and Friday, and he may be going back in a day or two. He may even go back this evening. However, I can assure the hon. member that my one interest in this present crisis is to do the very best I can for Canada and for peace in the world, and I really do not need any prompting from him as to what is my duty.

Mr. Pickersgill: Mr. Speaker, I wonder if I might ask the Secretary of State for External Affairs a supplementary question. Does the hon. gentleman not feel that the united backing of this parliament would be helpful to the government at this time?

SUGGESTED CANADIAN ACTION AT UNITED NATIONS

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to either the Prime Minister or the Secretary of State for External Affairs. Is the government considering placing before the United Nations a resolution requesting both the U.S.S.R. and the United States to act immediately and simultaneously to turn back Soviet ships from Cuba and to remove the shipping blockade by the United States, in order to create opportunity for the United Nations to initiate necessary negotiations to remove the threat to peace?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, this question, as hon. members know, is at the present time before the security council. Canada is not a member of that council. There

are two resolutions under consideration, one submitted by the United States and the other by the Soviet union. At this particular time, and under these conditions, it would be inappropriate for Canada to submit a resolution such as the hon. member suggests.

I can assure the house that we will be doing everything we can to bring about a peaceful solution to this problem. In that connection, the suggestion made by the Prime Minister the other evening is being very helpful.

GOOSE BAY, LABRADOR—SEARCH OF CUBAN PLANE

On the orders of the day:

Mr. T. R. Berger (Vancouver-Burrard): May I direct a question to the Minister of National Revenue. In asking this question I have considered those matters to which the Prime Minister adverted a few moments ago.

Can the minister tell the house whether a Cubana Airlines aircraft with two East German technicians aboard landed at Goose Bay, Labrador, this morning, and was searched by customs officials assisted by the R.C.M.P.? If so, was this done in order to facilitate the United States quarantine of Cuba?

Hon. Howard C. Green (Secretary of State for External Affairs): Perhaps a word of explanation on this question would be helpful. For some time now the government has been concerned at the increasing number of Soviet aircraft requesting landing or overflight privileges in Canada en route to Cuba. This privilege is one which is normally accorded on a reciprocal basis under the ICAO convention and related agreements to which the Soviet union is not a signatory.

We have informed the Soviet union that since this right is a privilege stemming from an agreement to which they are not a party, no further landings in Canada or overflights of Canadian territory will be granted to Soviet aircraft en route to Cuba.

With respect to flights between other Soviet bloc countries and Cuba, we have taken steps to ensure that inspection and other relevant procedures in accordance with Canadian laws and the provisions of the ICAO convention are fully complied with to ensure that no warlike material is being carried through Canada to Cuba. Under the ICAO convention, no munitions of war or implements of war may be carried in or above the territory of a state in aircraft engaged in international navigation, except by permission of such state. Canadian law contains a similar provision.

With respect to the reports which have appeared this morning, I can confirm that an aircraft owned by Cubana Airlines landed last night at Goose Bay airport on its way from Prague to Havana. It was searched by the Canadian customs authorities and nothing of an objectionable nature was found in its cargo. The aircraft has now been allowed to proceed to Havana.

At the present time, neither the United States quarantine of Cuba nor Canadian policy in this regard contain any restrictions on the normal movement of personnel into Cuba. For the time being we are concerned only with weapons, and this, I believe, is also the position of the United States.

Mr. S. P. Ryan (Spadina): Mr. Speaker, I should like to address a question to the Minister of National Defence. Is Canada assisting in any way in the policing of the Atlantic ocean to prevent entry of weapons into Cuba?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, if the hon. member means are we taking any part in the quarantine operations put into effect by the United States government, the answer is no.

Mr. Ryan: A supplementary question. May I take it then that in some ancillary fashion we are assisting?

Mr. Harkness: No, just the reverse, Mr. Speaker. We are taking no part in that operation whatever.

[*Later:*]

Mr. T. R. Berger (Vancouver-Burrard): Mr. Speaker, may I respectfully direct a question to the Secretary of State for External Affairs. Can he tell the house, if he feels he is at liberty to do so, how close the Soviet vessels headed for Cuba are to the United States blockade vessels in the Caribbean?

Mr. Green: Mr. Speaker, I am not in a position to give that information.

(Translation):

On the orders of the day:

Mr. Gerald Laniel (Beauharnois-Salaberry): May I direct a question to the Secretary of State for External Affairs? Can the minister tell the house if any Canadian citizens are in Cuba at present and, if so, can he tell the house if his department has taken any steps to bring these people back to Canada, should there be any worsening of the present crisis?

(Text):

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, there are some Canadian citizens in Cuba, and we have our ambassador there with his staff. Part of the responsibilities of his staff is, of course, to look after Canadians. Thus far the Canadians in Cuba have been properly treated,

and at the moment there is no need, I think, to ask them to return to Canada. The embassy will be very glad to help any Canadians who do wish to come back to Canada.

NATIONAL DEFENCE

STEPS TAKEN TO IMPROVE CANADIAN EFFECTIVENESS

On the orders of the day:

Hon. Paul Hellyer (Trinity): I wish to direct a question to the Minister of National Defence. Has the Canadian government in recent days received any request from the United States government or any of its agencies asking that Canada take steps to improve the effectiveness of North American defence, and has any decision been taken in this regard?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, we have taken certain precautionary military measures which will have the effect of improving the capability of the armed forces to respond to any situation that may exist.

Mr. Hellyer: As a supplementary question, in view of the seriousness of the situation will the minister take the house and the country into his confidence and give us a statement as to the measures taken by the government?

Mr. Harkness: I do not think, Mr. Speaker, it would serve the public interest or that it would be a good thing at this time to follow the course of action suggested by the hon. member.

[*Later:*]

Mr. Charles M. Drury (St. Antoine-Westmount): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has the department received from the United States government or any agency thereof a request to improve the state of readiness of the Canadian armed forces; and if so, what was the response?

Mr. Harkness: Mr. Speaker, I think this is just a repetition of the question asked by the hon. member for Trinity (Mr. Hellyer) a minute ago.

Mr. Drury: Mr. Speaker, I do not think it is a repetition.

Mr. Speaker: Order. The hon. member is not in a position to comment on the answer he may receive.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, on a question of privilege, the minister did not, as I apprehend it, reply to the question at all. The minister raised a point of order about the question, although he did not call it a point of order, and my hon. friend was seeking to speak on the point of order raised by the minister—

Mr. Fleming (Eglinton): Nonsense. That is a fiction.

Mr. Pickersgill: —namely, that the question was a repetition of a question already asked.

Mr. Speaker: Order. I think the hon. member has been in this house long enough to know that he is not speaking on a question of privilege. In any event, whether the minister wishes to answer in any way whatsoever, the traditions of this house are that the answer shall not be commented upon. The Chair makes no observation on the nature of replies but only says that the hon. member cannot comment on any answer, whether it is very wise or to the other extreme.

Mr. Pickersgill: Mr. Speaker, on a point of order which Your Honour has just raised—

Mr. Churchill: Nonsense.

Mr. Pickersgill: Your Honour has just said that the Chair makes no comment on the answers that are given. I wonder whether the same forbearance could be exercised with respect to the questions asked.

Mr. Starr: Aren't you an authority?

Mr. Fleming (Eglinton): Mr. Presumption.

Mr. Speaker: Order. The Chair does not make any comment on the merits of a reply, as some hon. members may sometimes seek to do after they have received a reply. If the answers are offensive I will try as best I can to also bring them within the rules.

[*Later:*]

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Prime Minister, what is the degree of civil defence preparedness at this particular critical moment?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think this answer will apply to various questions that I know occur to hon. gentlemen at this time and which they have refrained from asking. I think that in these hours and days of international sensitivity all of us will endeavour to exercise a restraint in asking questions which under normal circumstances would be appropriate but which at this time might be considered as provocative or fear-producing.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister whether he does not consider that in these hours of international danger and sensitivity it is desirable for this house to receive all the information concerning the current crisis that is appropriate?

Mr. Diefenbaker: Mr. Speaker, I seem to recall that in the past when questions of this kind were asked when we were sitting on the other side of the house, a similar answer was given. I know the hon. gentleman has always been most careful in his questions; and I know that, with the knowledge he has, he would be the first to say that were we to place before the house various matters that might be spoken of at this time, it would be neither beneficial to this country or its security, and might indeed be provocative.

Mr. H. W. Herridge (Kootenay West): A supplementary question, Mr. Speaker. Could the Prime Minister assure the house that the Canadian government is doing everything possible to halt this race toward international suicide?

Mr. Speaker: Order.

NORAD—REPORTED CANADIAN DEFAULT UNDER TREATY

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Is it a fact, as reported by a senior and respected member of the parliamentary press gallery, that Canada has defaulted on its solemn obligation in respect of the NORAD treaty, in time of crisis, by refusing to accede to the request of the United States air force to arm Canadian Bomarc squadrons with atomic warheads and to permit United States airplanes to use Canadian air bases?

Mr. Speaker: Order. I think the hon. member knows very well that it is quite contrary to our rules to ask any minister to comment upon any report made in a newspaper. This merely invites controversy on orders of the day.

Mr. Hellyer: Mr. Speaker, then may I pose the same question without reference to the newspaper report, and just ask if it is a fact that Canada has defaulted on its agreement, or is it felt in Washington that we have defaulted in respect of our agreement?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the answer is emphatically no, we have not defaulted.

NATO—STRENGTHENING OF CANADIAN FORCES IN EUROPE

On the orders of the day:

Mr. John R. Matheson (Leeds): May I direct a question to the Minister of National Defence. Has General Norstad, commander of NATO forces, requested a strengthening of our military forces in Europe?

Hon. D. S. Harkness (Minister of National Defence): I am sorry, but I did not hear the question.

Mr. Matheson: Did the commander at NATO headquarters request a strengthening of our military forces in Europe?

Mr. Harkness: No, Mr. Speaker.

SITUATION RESPECTING DEPENDANTS OF FORCES IN EUROPE

On the orders of the day:

Hon. Paul Hellyer (Trinity): I wish to direct a question to the Minister of National Defence. In view of the recent increase in world tension has there been any change in government policy in respect to sending the dependants of Canadian soldiers and airmen to Europe? Further, is it anticipated that those dependants who are about to leave for Europe will proceed as scheduled?

Hon. D. S. Harkness (Minister of National Defence): The rotation of about one third of the brigade in Europe with troops in Canada had been planned several months ago to begin tomorrow. In view of the present situation we have decided to delay that movement until the situation is clarified. This, of course, will mean that there will be a minimum of disruption and loss of efficiency due to movement of troops from and to units in Canada and Europe. It will also mean that no further dependants will be sent over to Europe at the present time.

REQUEST FOR COMPREHENSIVE DISCUSSION OF INTERNATIONAL SITUATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the bits and pieces way in which we have been getting information today about the international situation, would the Prime Minister or the Secretary of State for External Affairs consider giving us tomorrow a comprehensive statement so that the house might be fully informed, and so that the opinions of all groups might be expressed in a more orderly way than I think has been the case today?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in so far as the cordial way is concerned, I am sure that today was no exception to the usual day—always affable and always considerate. In so far as the earlier part of the question is concerned, this is a matter which I think might be given consideration. It is very difficult, as the hon. gentleman knows, to place before the house the various things which are being done. He has stated that he is getting answers in a bits and pieces manner. I can assure him

and the house that when we are in a position to place before the house something of the picture, and in a manner which will be helpful both to the house and also to Canada's security, it will be done.

Mr. Knowles: Mr. Speaker, on a matter of privilege—not crucial but so that the record will be correct—I think the word I used was "orderly" not "cordial". But I do thank the Prime Minister for his cordial reply.

Mr. A. J. P. Cameron (High Park): I should like to direct a question to the Prime Minister. In view of the sensitive international situation at the present time, would the government give consideration to the immediate constitution of the committee on external affairs and the committee on national defence?

Mr. Diefenbaker: Mr. Speaker, that is a suggestion to which the government will give full consideration.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, if I might add to the answer I gave a moment ago, I would point out that the government is waiting for the names of opposition members for appointment to standing committees, including the standing committee on external affairs. As soon as the names have been received, it will be set up. So far as the defence committee is concerned, there is no such standing committee.

(Translation):

REQUEST FOR OBSERVANCE OF PEACE WEEK

On the orders of the day:

Mr. J. P. Cook (Montmagny-L'Islet): Mr. Speaker, I want to direct a question to the Prime Minister.

Following a letter we probably all received from the Canadian movement for nuclear disarmament, has the Prime Minister decided to designate the week from November 5th to 11th next as peace week?

Mr. Speaker: Order. I think we already had answers from the Prime Minister with regard to decisions as to designating such and such a week in favour of such and such a project, and I do not think that the question of the hon. member is in order.

Mr. Cook: On a question of privilege, Mr. Speaker—

(Text):

Mr. Speaker: The hon. member for Port Arthur—

(Translation):

Mr. Cook: Mr. Speaker, on a point of order. I respectfully submit that the 5th of November is very near and that, in the light of world activities these days, it would be normal that Canada design a week as peace week.

Mr. Speaker: Order.

PARLIAMENT HILL

CANADIAN FLAG IN FRONT OF PARLIAMENT BUILDINGS

On the orders of the day:

Mr. Gerard Lamy (St. Maurice-Lafleche): Mr. Speaker, since it is my first opportunity to speak in this house, I should like to congratulate you on your appointment to the office of Speaker of the House of Commons.

I should like to ask the Prime Minister and, at the same time, the Leader of the Opposition, whether they could show us the Canadian flag in front of the parliament buildings.

Mr. Speaker: Order. I do not feel it is proper under our rules to put a question to two ministers or two members at the same time.

On the orders of the day:

Mr. Raymond Langlois (Megantic): I should like to put a question to the Prime Minister. Would the Prime Minister tell us, out of all the flags which decorate the front of parliament today, which one is the Canadian flag?

Mr. Gilles Gregoire: Is the Prime Minister refusing to answer this question because of the lack of a Canadian flag?

(Text):

CANADIAN BROADCASTING CORPORATION

PROTESTS CONCERNING TELEVISION PROGRAM "QUEST"

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I should like to direct a question to the Secretary of State. I was able to send him notice earlier. Has the minister received any representations from concerned parents in respect of the alleged indecent character of a television program called "Quest" emanating from a C.B.C. Toronto studio on Sunday evening, October 21? If so, has the minister brought these complaints to the attention of the C.B.C. management, and with what results?

Mr. Speaker: Order. I think with the continuing questions the hon. member has asked he has made his representations. I think it would be better if the question were to appear on the order paper. There is no great sense of urgency at this moment in replying thereto.

(Translation):

HOUSE OF COMMONS

FRENCH TRANSLATION OF CALL MEMO

On the orders of the day:

Mr. Laureat Maltais (Saguenay): Mr. Speaker, I should like to direct a question to the Prime Minister. Could the Prime Minister tell me if a French speaking member could obtain in French immediately or, if not, when, what is known as the "Call memo"?

CHEQUE REPORTED ONLY PARTLY BILINGUAL

On the orders of the day:

Mr. P. A. Boutin (Dorchester): Mr. Speaker I should like to direct a question to the Minister of National Revenue. Is the minister aware of the fact that cheque No. 88-894, which is supposed to be bilingual, is only so in part, since the date and the amount are written in English only?

Mr. Speaker: Order. I should like to remind some hon. members that they would do well to refer to my recommendations concerning questions asked on the orders of the day. It seems to me we have here a series of questions which would be just as well on the order paper. The hon. members should make their inquiries in some other place and at another time.

Mr. Boutin: In other places than this house, Mr. Speaker, we get no answers. In other places it is not possible to call attention to the French problem.

Mr. Speaker: Order. It is out of order to question a ruling by the Chair.

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I rise on a point of order. If the attention of the house is not called to those matters, they are often neglected, and I think we have the right to take the occasion to bring them up in the house.

Mr. Speaker: I think that if some members were allowed to bring up all kinds of matters, others would follow suit and we would still be here at midnight.

Mr. Gregoire: The bilingual character of our country—

(Text):

ROYAL CANADIAN MINT

PRINTING IN U.S. OF BOOKLET SOLD BY GUIDES

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): I have a question for the Minister of Finance. Will the minister undertake to explain to the house why, in the light of the desirability of expanding the Canadian printing industry, a publication of interior views of the Royal Canadian Mint which is sold by guides to those completing a tour of the mint is printed in the United States of America?

Mr. Speaker: Order.

Hon. George C. Nowlan (Minister of Finance): Probably it was printed before the government changed.

(Translation):

LABOUR CONDITIONS

WINTER WORKS—USE OF UNEMPLOYED WITH BENEFITS EXHAUSTED

On the orders of the day:

Mr. Raymond Langlois (Megantic): Mr. Speaker, I have a question for the Minister of Labour. As winter works are starting now, would the minister tell us whether he intends—in the carrying out of such works—to hire the unemployed who are not entitled to unemployment benefits this year?

(Text):

Hon. Michael Starr (Minister of Labour): When this plan was set up it was pointed out that municipalities might hire for employment on these projects people who were not in receipt of unemployment insurance as well as those who were, and who were out of work.

(Translation):

Mr. Langlois: Mr. Speaker, I would point out to the minister that in some municipalities, only persons entitled to unemployment benefits are working at present.

Mr. Speaker: The hon. members are not allowed to comment or to make such representations in the house.

(Text):

TRADE

JAPAN—REPORTED STATEMENT BY ONTARIO CABINET MINISTER

On the orders of the day:

Mr. R. B. Cowan (York-Humber): I should like to direct a question to the Minister of Trade and Commerce. Is the minister aware of the public statement made in Tokyo, Japan, following an interview with the head of a foreign state, namely the Prime Minister

of Japan, by Hon. Robert Macaulay, a minister of the crown and minister of economics and development in the Ontario government, to the effect that Ontario could be in business in a way that Canada could not—

Mr. Speaker: Order. I respectfully submit to the hon. member that it is altogether out of order to invite a minister to comment upon, or to agree or disagree with, the remarks of another minister for whom the hon. minister being questioned has no responsibility.

CUBA—INQUIRY AS TO CHANGE OF POLICY

On the orders of the day:

Mr. E. T. Asselin (Notre Dame de Grace): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. In view of the present international situation, has the government changed its policy with regard to trade with Cuba?

Hon. George H. Hees (Minister of Trade and Commerce): No, Mr. Speaker. I have outlined our position with regard to trade with Cuba both in the house and outside, as has the Prime Minister, and that policy remains the same.

AIR TRANSPORT

PRAIRIE PROVINCES—NEGOCIATIONS WITH PACIFIC WESTERN AIRLINES

On the orders of the day:

Mr. Arthur Laing (Vancouver South): Your Honour, I have a question I should like to address to the Minister of Transport. Is he continuing to participate in negotiations with Pacific Western Airlines leading to the continuation of their so-called prairie milk run after November 1?

Mr. Speaker: Order. I would respectfully submit to the hon. member that that question is more one for the order paper.

POST OFFICE DEPARTMENT

REQUEST FOR ABOLITION OF SYSTEM OF FINES

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I direct a question to the Postmaster General. Following the recent demand by the federal association of letter carriers in Toronto that the present system of punishing delinquent letter carriers by way of fines be abolished, is it the intention of the government to abide by this demand, at least until the austerity program affecting salary increases has ended?

[Mr. Cowan.]

Hon. Ellen L. Fairclough (Postmaster General): Mr. Speaker, I saw the article in the newspapers to which the hon. member no doubt refers. I have made appropriate inquiries, and I find that instead of some $8,000 a month there is about $300 a month, and I am told that the officers of the letter carriers association agree with the department in the disciplinary action which is now being taken.

INQUIRY FOR RETURN

REDUCTIONS IN 1962-63 ESTIMATES

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I could ask the Minister of Finance or his parliamentary secretary, in case it has not yet been done—and I can find no record that it has—whether the answer to question No. 218, which was made an order for return and which the minister said last Thursday he would try to expedite, could be made available, as the information in it is desired for the debate which is now going on?

Mr. Heward Grafftey (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, I will look right into that matter for the hon. member.

INDIAN AFFAIRS

POLITICAL ACTIVITIES OF CHIEF DREAVER IN SASKATCHEWAN

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration based on a reply given to me today to the effect that one Chief Joseph Dreaver of the Mistawasis band of Indians in Saskatchewan has been employed to survey the Indians of Saskatchewan in respect of their reactions and recommendations with regard to the findings of the joint committee of the Senate and House of Commons on Indian affairs, and that during the period of time the said Chief Dreaver was employed he would receive a total of $6,500 for his services. My question is, is the Minister of Citizenship and Immigration aware that the great bulk of Chief Dreaver's time in Saskatchewan was spent in organizing for the Tory party?

Hon. Richard A. Bell (Minister of Citizenship and Immigration): No, Mr. Speaker.

(Translation):

NATIONAL REVENUE

MORAL REARMAMENT—DEDUCTION OF PUBLICITY EXPENSES

On the orders of the day:

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question is directed to the Min-

ister of National Revenue. Is it true that receipts for publicity expenses connected with Moral Re-Armament are deductible for income tax purposes?

Mr. Speaker: This question should be put on the order paper.

AGRICULTURE

HOGS—RESTORATION OF PREMIUM

On the orders of the day:

Mr. Bernard Dumont (Bellechasse): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the fact that certain tariff restrictions are being lifted to ease the austerity program in regard to certain manufactured products, could the Minister of Agriculture tell us whether it would not be urgent to re-establish the premium on category A pork?

(Text):

FINANCE

ROYAL COMMISSION—INQUIRY AS TO HEARING OF WITNESSES IN CAMERA

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, just before the orders of the day are called I wonder if I may ask the Prime Minister whether he has yet been able, as he undertook to do last week, to ascertain from the royal commission on banking and finance whether they propose to hear any witnesses in camera.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I was not able to answer the question in the absence of the hon. member. Now that he is back I welcome him here in the chamber. I would say that I communicated with the commission and was advised that they intended to hold certain sittings in camera.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, because of the obvious friendliness towards the government of the corner of the house to my left, I should like to direct a question to the Prime Minister. Has his attention been drawn to the speech made by his supporter from Villeneuve in which he, in Montreal, compared fascism, communism and Conservatism, and was not able to tell which was the worst?

Mr. Speaker: Order. I would caution the hon. member.

WAYS AND MEANS

The house in committee of ways and means, Mr. Chown in the chair.

INCOME TAX ACT

Resolved,—that it is expedient to introduce a measure to amend the Income Tax Act to provide among other things:

1. That for the 1962 and subsequent taxation years the amount deductible in computing taxable income in respect of a child qualified for family allowance be increased to $300 and the amount deductible in respect of other dependants be increased to $550 each.

2. That with respect to income earned after March 31, 1962 a corporation whose principal business is manufacturing or processing (not including a corporation whose principal business is shipbuilding, mining, logging or the operation of oil or gas wells) be allowed to deduct from its tax otherwise payable an amount equal to 50 per cent of the tax on the first $50,000, of its taxable income attributable to increased sales and an amount equal to 25 per cent of the tax on the remainder of its taxable income so attributable.

3. That with respect to its first taxation year ending after April 10, 1962 and the next succeeding four taxation years a corporation be permitted to deduct in computing income 150 per cent of the amount by which expenditures of a current and capital nature on scientific research in Canada incurred by it in the year exceed expenditures of a current and capital nature on scientific research in Canada incurred by it in its last taxation year ending on or before April 10, 1962.

4. That for the 1962 to 1966 taxation years both inclusive the deduction from tax allowed to corporations in respect of taxable income earned in a province be increased from 9 per cent to 10 per cent in a prescribed province in which arrangements exist for the replacement of federal grants to universities by additional provincial grants in accordance with the proposed amendments to the Federal-Provincial Fiscal Arrangements Act.

5. That with respect to taxation years commencing in 1962 a taxpayer be allowed a deduction from tax of an amount equal to the lesser of two-thirds of the amount payable for the year to a province as a tax on income from logging operations or ⅔ of 10 per cent of the taxpayer's income from logging operations in the province, and the right to deduct in computing income amounts paid to a province as tax on income from logging operations be repealed.

6. That with respect to expenses incurred after April 10, 1962 any corporation be allowed to deduct in computing income the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by it on or in respect of exploring or drilling for petroleum or natural gas in Canada and the prospecting, exploration and development expenses incurred by it in searching for minerals in Canada not exceeding its income for the year from oil or gas wells in Canada.

7. That with respect to expenses incurred after April 10, 1962 an individual be allowed to deduct in computing income the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by him on or in respect of exploring or drilling for petroleum or natural gas in Canada not exceeding his income for the year from oil or gas wells in Canada.

8. That with respect to acquisitions after April 10, 1962 amounts paid by

(a) a corporation whose principal business is production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for petroleum or natural gas, or mining or exploring for minerals,

(b) an association, partnership or syndicate formed for the purpose of exploring or drilling for petroleum or natural gas,

(c) a corporation (other than a corporation that qualifies under (a)), or

(d) an individual for a right, licence or privilege to explore for, drill, or take petroleum or natural gas in Canada shall be classed as drilling or exploration expenses for purposes of computing deductions from income.

9. That with respect to sales of property acquired after April 10, 1962 there shall be included in the income of a taxpayer any amount received as consideration for the disposition of a right, licence or privilege to explore for, drill for or take petroleum or natural gas except where the right, licence or privilege was acquired by inheritance or bequest.

10. That the right of a successor corporation to deduct drilling, exploration, prospecting and development expenses incurred by a predecessor corporation from the income of the successor corporation attributable to the production of petroleum or natural gas from wells, or the production of minerals from mines, situated on property acquired from the predecessor corporation shall not be lost by reason of the fact that the successor corporation assumed liabilities of the predecessor corporation.

11. That a joint exploration corporation may renounce an appropriate share of the drilling, exploration, prospecting and development expenses incurred by it after 1956 in searching for oil, gas or minerals in Canada in favour of a shareholder corporation whose principal business is

(a) production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for petroleum or natural gas,

(b) mining or exploring for minerals,

(c) processing mineral ores for the purpose of recovering metals therefrom,

(d) a combination of

(i) processing mineral ores for the purpose of recovering metals therefrom, and

(ii) processing metals recovered from the ores so processed, or

(e) fabricating metals,

and in such case the expenses renounced shall be deductible by the shareholder corporation and not by the joint exploration corporation.

12. That the right of a successor corporation to deduct drilling, exploration, prospecting and development expenses incurred by a predecessor corporation from the income of the successor corporation attributable to the production of petroleum or natural gas from wells, or the production of minerals from mines, situated on property acquired from the predecessor corporation be extended to a second successor corporation which has acquired the property from a predecessor corporation which was itself a successor corporation.

13. That for the 1962 and subsequent taxation years income earned in Canada by a non-resident corporation whose principal business is mining iron ore in Canada, be exempt from the additional 15 per cent tax imposed by Part IIIA on profits earned in Canada by non-resident corporations.

14. That where an employee who is a member of one deferred profit sharing plan becomes a member of another deferred profit sharing plan the amount to his credit in the first mentioned plan may be transferred to his credit in the second mentioned plan without attracting tax on the amount so transferred.

15. That the amount to the credit of an annuitant under a registered retirement savings plan may be transferred at any time before the maturity of the plan to another registered retirement savings plan or to a registered pension fund or plan without attracting tax on the amount so transferred.

(Translation):

Mr. Perron: Mr. Chairman, I was saying

[Mr. Speaker.]

at the end of my remarks, last night, that it was most urgently necessary that the twenty fifth parliament see to it, through its sovereign authority over its own institutions, that the Bank of Canada create credit and offer municipalities, which greatly need it, the means to borrow the necessary funds to carry out works essential in most of our communities.

When I am saying this, I am referring to the fact that in my own riding, for instance, most of the parishes which accepted the offer made last winter by the federal and provincial governments under the winter works program, had to float a heavy loan—in my own parish the loan was $90,000. The balance, after payment of borrowing costs, was $82,000, which was used to buy the materials required for the project. Once again, this year, an important part of the budgets of the municipalities will be earmarked for payment of interest on work carried out last winter, and for the next 25 years, the property owners in St. Joseph de Beauce will have to pay taxes or interest to financiers. Most of our municipalities now resort to winter works. But as they must purchase materials from companies, the federal and provincial governments collect over 11 per cent in manufacturing taxes, which is more than the amount of wages which the municipalities have to pay for carrying out municipal winter works.

It is also urgent, I think, that we take the necessary steps in order to promote the setting up of Canadian companies for the processing of our raw materials at home. Our country is rich with raw materials of all kinds. In the past few years a number of projects for the processing of our raw materials were submitted in the province of Quebec, such as a steel mill, for instance. We have all the labour force we need. There probably will be one million unemployed persons next winter.

Labour and material are available but these industries never become a reality in our province; they never go beyond the project stage. The province of Quebec, in co-operation with the Minister of Northern Affairs and National Resources (Mr. Dinsdale), could take steps to facilitate the provision of the funds required for the establishment of companies which would process our primary products instead of selling them as raw material to our southern neighbours, who after transforming them, sell them back to us at excessive prices, for we have to pay the added customs duty, taxes and import surcharges besides the cost of American labour.

For instance, I remember having learned in grade school that 75 per cent of the asbestos consumed throughout the world came from the province of Quebec, from the eastern townships area where Beauce county is located. If we consider that 75 per cent of the asbestos consumed and used in the whole world comes from our own province, would it not be time that Canadian companies obtained capital more easily in order to set up in our area industries which could manufacture, finish and process this raw material locally, instead of having trade imbalances which led to discussions of several days? Our trade relations with our neighbours to the south would not be adversely affected and we might have a favourable trade balance and thus enable the Canadian people to share in this wealth that belongs to them, the wealth of their own natural resources.

Mr. Chairman, I understand that several people are upset when there is a question of using the Bank of Canada to help obtain the credit required for processing our primary products in this country. Yet, we should not forget that tomorrow's economy will have to be a distributive economy, which will consist in distributing today's abundance without planning, because in this day and age new developments and science make production easy and fast.

We need a distributive economy which will take into account the purpose of industrial production in this country, as well as the necessity of processing our primary resources, as I said a moment ago, so as to put an end to our being controlled by international trade and foreign profiteers. In so doing, industry will be put back in its right place, in spite of what our socialist friends are thinking who state that the sole means to reach full employment in a country is planning.

We must give back to industry its true function, which is to produce the consumers' goods which the people need. Therefore, when speaking of a distributive economy, and of the Social Credit doctrine, which would help distribute abundance, I am thinking of the consumer, the ever-forgotten man in our Canadian economy, and it is on his behalf that we must work, through the distributive economy I just mentioned.

Mr. Chairman, if we study the information tabled in the house with regard to social legislation which now apply for the benefit of part of our population, I am of the opinion that the time has come to improve that legislation. It is true that in some circles nobody knows how to call the family allowances, which were commonly called the "baby bonus for the Quebec people", but we must admit that they are a fundamental principle of distributive economy, which consists in recognizing to the fathers and mothers in this country the right to part of the wealth of their country, so as to enable them to have some bread on their plates.

Therefore, if the principle of helping large families to a better standard of living in this country of wealth and abundance is accepted one day, a comparison of living costs in 1945, when that legislation was passed, to those of today reveals that it is high time to double the rate of family allowances and to extend the age limit for the beneficiaries.

My fellow member for Lapointe (Mr. Gregoire) suggested yesterday that we should help our young people get a better education by attending institutions of higher learning. Well, let us help educate those young people by letting them benefit from family allowances to a greater extent, by raising allowance rates while extending the age limit of beneficiaries to the whole schooling period.

Mr. Hellyer: That is the Liberal party's program.

Mr. Perron: And now, Mr. Chairman, I should like to say a word about social security measures. Since the present generation is now benefiting from the results that its predecessors have obtained through their efforts, their development of natural resources and their progress in the field of science, is it not time to think a little about our old people, those who have laboured for 10, 20, 30, 40 and even 50 years in this country and who, often, having reached 60 years of age, are poorer than they were when they started to work at 16? Indeed, it is time we should think about those citizens.

When I talk about improving old age security pensions, I wish incidentally to thank the government for having increased the rate from $55 to $65, but I think that is not adequate today, if we take into account the cost of living. The age of the beneficiaries, either of universal pension at 70 years of age or of old age assistance at 65, with a means test, should be revised.

Mr. Chairman, we know that on account of the surplus labour now at our disposal in this country many heads of families of 35, 40 and 50 years of age, who have dependants, are now unemployed, because older persons are in absolute need of earning their living, since they are poorer now than they were 20

years ago. So, let our 60-year-old citizens benefit from more generous pensions at an earlier age, through old age security and old age assistance legislation.

The distributive economy to which I referred a moment ago will allow an increasing number of Canadians to benefit from the wealth of their own country, and will also allow our citizens who are able to take up some occupation in industry to get jobs. That is how we would solve the problem of insecurity among our young and old people, while permitting our unemployed to honourably earn their living in Canada.

Now, Mr. Chairman, to come to the matter now under discussion, that is, income tax, we have stated during our election campaign, and we repeat it here, that it is unfair at present to claim income tax from a head of family who has four, five or six dependants and whose income is lower than $5,000 a year. We have asked for such an exemption for heads of families earning less than $5,000 a year, and we are still asking for it.

As for the unmarried people, who are sometimes invited to look to the future with optimism and enthusiasm, to whom is promised a life of peace and security, I think they should not be surtaxed as they are at present. Let us take for instance the case of a young man who has succeeded in getting work for four, five or six months in a year—right away, the federal government asks his employer to have him pay income tax. In fact, this employee barely receives his first cheque that income tax is deducted at the source. The government is following such a policy, most of the time, to end up at the close of the year with higher expenditures, and with the need to reimburse the surplus amounts deducted from such an employee during the four or six months he has worked.

That is why we ask for the abolition of income tax for bachelors who earn less than $3,000 a year.

Now, maybe there are persons in this house who think that I intend to advocate—like certain socialists in our province, including their official representative, Mr. Michel Chartrand—that big companies and corporations should be heavily taxed.

We know what happens when big companies and corporations are heavily taxed. When a company has to pay $3 million in taxes, it is very easy, through its accountants, to arbitrarily inflate the selling price of its production and thus to have consumers pay those taxes. As a result, the prohibitive amount of taxes that companies should have paid is in fact collected from consumers.

For instance, most people know that a pack of cigarettes costs 3½ cents for raw material and two cents for shipping and packing, leaving a profit margin of four cents to the wholesaler as well as to the retailer, which comes to a total of approximately 15 cents. But what is the retail price of a pack of cigarettes? Forty cents.

So, what do we buy? We buy corporation taxes, we buy the portion of taxes which is paid by the corporations and, in the end, that is where the money of people with a low income is depreciated. That is where the small peoples' purchasing power is made to stand so low that they cannot meet their obligations.

There are those who claim we have a mysterious monetary system. The one now in force certainly has to be most mystic to be able to play such monkey tricks on us.

In short, what determines the purchasing power of the Canadian dollar at this moment, if not production accounting and the total amount spent by industry on raw materials, salaries, plant depreciation, and direct and indirect taxes? It is what I have just mentioned which lowers or raises the value of our dollar.

So, what is devaluating our Canadian dollar at the present time? What is creating price inflation, if not the heavy taxes of all kinds that are being paid? That is why, more than ever, the twenty fifth parliament should adopt the monetary system advocated by the Social Credit party.

(Text):

The Chairman: Order. I am sorry to interrupt the hon. member but his time has expired.

Mr. Mather: Mr. Chairman, the basis of our ways and means discussion seems to me to come down very simply to a consideration of how the government gets its revenue and what it does with it? To judge this we must have a perspective of the larger situation and consider the condition of the country which supplies and uses the revenue. In Canada today, Mr. Chairman, we suffer from division. This is the land of the great divide.

We are divided by great distances; we are divided physically by the great lakes, great prairies, great mountain ranges, two great languages, four great political parties and eleven great governments. Again we are divided further by our three levels of

administration, federal, provincial and municipal, and the basic rules for these last divisions were laid down so many years ago that they have less and less relation to the facts of life in 1962 and consequently condemn the taxpayers to friction, inefficiency, waste and frustration.

There are not many stories told about Canadians. We are not identifiable joke-wise as are the big Texans and the canny Scots, but I heard a joke the other day with reference to the matter under discussion here which I think more or less identifies the Canadian characteristic. There were an Englishman, an American, a Frenchman and a Canadian each of whom was asked to write an essay on the subject of the elephant. The Englishman wrote on the subject under the heading "The elephant and the British Commonwealth;" the American wrote under the heading "Bigger and better elephants;" the Frenchman wrote on "The elephant and sex," and the Canadian wrote under the heading "The elephant: Is it a provincial or federal responsibility."

Mr. Chairman, it seems to me the time has come when we should give greater leadership towards ending this elephantine situation which divides Canadians at the three levels of administration, and we advocate immediate federal leadership towards realigning the confused administrative responsibilities at those levels.

Also, Mr. Chairman, we democrats point to another thing which divides us and renders all plans for a prosperous economy very difficult of attainment. This is the economic division of the country. We believe in democratic, economic planning for the welfare of all. We do not believe it is economic democracy when we have in Canada approximately 15 per cent of the population owning or controlling approximately 85 per cent of the wealth of the country, while 85 per cent of the population exists on approximately 15 per cent of the wealth.

A change is needed in this situation, a change towards planned, efficient development of our natural resources, and also a change is needed in the use which we make of our finance. Obviously what is physically possible in 1962 should also be financially possible.

We find in Canada today that 91 per cent of all Canadians, who are of age to do so, own no stocks at all. We find that 7 per cent of Canadians own less than $5,000 worth of stocks, and 2 per cent of the population own all the remaining stocks. Against this background let us examine the state of our revenues and expenditures so that we can understand the government's problems. Let us examine them as best we may, or as far as we can see them, because from what the Minister of Finance shows us in his periodic fiscal strip-tease it is very hard to see what they are.

As to the immediate nature of our ways and means, we find that in the largest economy move $85 million has been trimmed from defence spending as part of the effort to balance the books, an effort which has failed by something on the order of half a billion dollars. As my colleague from Nanaimo-Cowichan-The Islands said yesterday, this $85 million represents merely 5 per cent of what we are spending on defence. We are still pouring out over $1.5 billion on defence after the 5 per cent has been trimmed off, and according to the Toronto *Globe and Mail* we are not even saving $85 million, we are just $25 million below the actual defence spending of the previous period.

This is at a time when what the world needs is an example in peace and disarmament. It is at a time when more and more experts tell us there is no defence left in the nuclear world. This is at a time when we have staring us in the face an example of the futility of nuclear armaments to add one iota to the defence or security of an individual state or the world as a whole. It should now be obvious that nuclear armaments reduce security and add to the threat of international conflagration in direct line with the number of states which possess nuclear arms.

It is difficult enough for us to escape a nuclear international explosion if the states which possess nuclear arms are limited to three or four; but when 10, 20 or 30 states are given or secure nuclear arms then the likelihood of an explosion becomes more and more probable. I make these references to the futility of this country accepting or seeking nuclear arms, of course in line with our budget discussion, because the cost of such arms in dollars and cents will add stupendously to the load which our taxpayers will have to meet.

It should be interesting to the taxpayers of Canada to notice that at this time we are spending on so-called defence more than our combined federal expenditures on agriculture, fisheries, forestry, justice, labour, unemployment insurance, external affairs, the postal service and all public works at the federal level.

I say that since it has been possible for us to take a second look at defence expenditure and trim it by 5 per cent, then let us take a third look at the same item and trim it by a substantial worth-while amount. Then let us apply that saving to public benefit, either through the reduction of taxes at the middle

and lower levels of income, or through the payments of some of our debts, thus easing some of the crushing burden of interest, or through the establishment of a revolving credit fund by which the provinces and municipalities will be able to finance, at minimum rates, the carrying out of all those useful, publicly necessary projects which have been eliminated or postponed by the present misguided austerity program.

We of the New Democratic party hold both old line parties responsible for the sorry mess which we are in economically and financially, because it is the result not of five or ten years but comes near the close of 100 years of alternate Liberal-Conservative administration. Constructive expenditures on housing, schools, hospitals, and roads would bring back multiplied revenue to the treasury through the increased employment and increased industry which it would create. The treasury would benefit, it would not lose.

Specifically I advocate the imposition of a capital gains tax on stock market speculation profits. I have in my hand a leaflet put out by Argus Securities Limited of Vancouver, who are stock and bond people, which says:

Are you looking for tax free profits?

It goes on:

Canada is one of the few countries in the world where millions of dollars can be made in the stock market without paying a cent in capital gains taxes. Thousands of traders and speculators from all over have made fortunes in past years and will continue to do so because of our nation's unlimited wealth and natural resources. Find the easy way to get that extra cash, tax free. What you make you keep, all of it.

That document speaks for itself. I have no comment to make on it. I merely quote it to underline my contention that we are not acting intelligently or in the interests of Canada when we allow speculators to get off scot free with their gambling winnings in our stock markets. Let us have a capital gains tax on stock market speculations.

In regard to another aspect of our tax system, it is said that one reason why millions of Canadians have left our country for the United States is the extra inducement which that country holds out to them in the way of the realistic tax recognition it gives to the ordinary man's income and expenditures. It is a fact that in the United States the interest portion of all home mortgage payments, sometimes totalling hundreds of dollars a year, is deductible from income tax. The income on mortgage payments is reckoned separately and is filed by the income tax payer for deduction purposes.

The same thing applies to property purchases of any kind on the instalment plan. The United States treasury department exempts from taxation interest charges which are made on the instalment plan for the purchase of cars, radios, television sets, washers and furniture. The effect of this over the years has been, on the one hand to encourage the building or owning and furnishing of the family home, which is a vital unit in our way of life, and on the other to increase constructive industrial and commercial activity, and add to the employment of all kinds in many types of related business.

Mr. Chairman, I believe we would have a healthier country and a healthier treasury today if the following steps were taken. First, give leadership to this divided country toward realigning our maladjusted economic and administrative functions on the basis of 1962 rather than 1867. Second, take a hard, third look at defence spending and making a substantial saving in the hundreds of millions of dollars still being spent on that dubious item. Third, institute a capital gains tax on stock market speculative profits and exempt the interest portion of home and property instalment buying. Fourth, use all our energies to assist planning in the international as well as the internal sphere, whereby order will be brought out of the welter of trading and financial confusion that exists today.

In conclusion, Mr. Chairman, let me say that in my view there is a large section of thinking people in every political party in Canada today which favours Canada's making a very much enlarged contribution to the efforts of the United Nations and all its activities, toward the establishment of collective security.

(Translation):

Mr. Legare: Mr. Chairman, this is the first opportunity I have had to speak in this house in four years. I must say that I find nothing edifying as far as the government is concerned. After four years of mistakes, failures, shilly-shallying, and hesitation, I would at least have expected a change of attitude, especially after the warning the government was given by the people last June. Unfortunately, we hear the same record, the same repetitions. We have had five deficits in five years. Now we have a new Minister of Finance and a sixth deficit.

Yet, the speech from the throne said: My ministers will try to balance the budget. And in reply to this, a deficit of $540 million is forecast.

The Minister of Agriculture (Mr. Hamilton) had probably neither read nor heard the speech from the throne, but he had read the speeches of the former minister of finance (Mr. Fleming), and he had learned how to announce a deficit while saying that all was

well and that we were on the road to prosperity.

However, Mr. Chairman, I do not intend to review the situation of the economy nor to show how much the Canadian population has to pay for the poor government we have had to put up with for the last five years. I should like rather to focus my remarks on the unfortunate situation in which the farmers now find themselves, especially in the eastern part of the country, and on what will happen next year if the Minister of Agriculture refuses to recognize his mistakes and change his plans.

I want to protest strongly against the decision of the government to have the farmers support part of the austerity program with which we have been progressively afflicted since the election. It may be possible to postpone certain public works, such as the construction of a post office or an extension to a wharf and even the construction of a railway in the Gaspe peninsula—as far as I know the hon. member for Gaspe has not yet raised any protest on this point. But, I do condemn certain decisions of the Minister of Agriculture (Mr. Hamilton) to cut down the estimates set aside to improve the lot of the farmers.

How can the Minister of Agriculture not realize the disastrous effects of the austerity program on agriculture?

People are wondering whether the Minister of Agriculture does not simply want to discourage the farmers to the point that they will have to abandon their lands. Even if that is not his intention—and I do not believe it is—I am concerned with what is going to happen should the government not change its attitude. Everybody admits that the farmer can hardly make a living, and that a great number of farmers are operating at a loss because the margin between production costs and sales prices is too narrow.

The Minister of Agriculture admitted that himself not later than last week in a statement I quote from page 688 of *Hansard*:

> But there are many farmers who receive a lot less than $2,400. This has been my particular fight, if I may say so, to bring to the attention not only of the members of parliament but also to the people of Canada that no minister of agriculture, no government of Canada, can remain complacent and satisfied when there are so many farmers getting less than even that small amount of $2,400.

So, the minister could not argue that he is unaware of the situation since he admitted himself that the farmers are handicapped by too small incomes and that without government assistance, many of them would be added to the list of jobless people. The minister knows that for the time being our farmers must make a living on their farm. Besides, what about his parliamentary secretary—I regret that neither he nor the minister are in the house at the moment—was he not there to advise them? What did the minister suggest to solve the problem, what remedy has he found to get our agricultural economy rolling again?

Here are a few decisions which the minister, together with his parliamentary secretary, has made as regards eastern Canada. Those are not decisions to be made but decisions already made by the department.

There is, first of all, the one we all know now, the $1 decrease in the premium for grade A hogs. That will result in a loss of more than $1 million for the farmers. Then the purchase of purebred sires lent to breeding association has been eliminated. The effect of that decision will be to delay the improvement of herds and no doubt discourage a great number of stock breeders. The premiums for purebred sires will thus be reduced by several thousand dollars.

The minister decided also to reduce by $175,000 the subsidies normally paid for the building of potato storage facilities. A reduction of $1.5 million in the assistance usually provided by the government for the transportation of feed grain from western to eastern Canada. That is the answer given by the government to eastern farmers who are asking higher prices for their grain.

That is not all, Mr. Chairman. Grants are lower instead of higher with respect to permanent improvements at exhibitions of grades "A" and "B" which are approved by contract.

In addition, the minister has decided to cut $50,000 from the appropriations for the marketing of farm products, $50,000 from the subsidies paid to cheese factories, a further $50,000 from the premiums paid on high quality cheese, and he has also reduced from 37½ cents to 34 cents the support price of grade "A" eggs. Yet, in my riding alone, in the lower St. Lawrence river area, 5 million dozen eggs have to be imported yearly. This is how the government wants to promote poultry farming.

An hon. Member: Shame.

Mr. Legare: And that is not all. Since September 15, purebred cattle breeders whose herds were certified against t.b. and checked free every year by federal veterinarians must keep their certification, have a private vet-

erinarian make tuberculine tests and pay for his services. And the cost of keeping that certification is at the prorata of the number of heads in the herd of the breeder concerned. In the lower St. Lawrence region, nearly 150 breeders are affected.

And the minister also makes known a reduction of more than $1 million in government subsidies for the purchase of farm lime. Our soils are poor, our farmers want to enrich them to increase their production, and the government has no other answer than to reduce its assistance by $1 million. Also, the government has decided, through the Minister of Agriculture, that not a cent will be spent in the east of the country this year, for land drainage, irrigation works, etc.

In addition, the minister stated, a few days ago, that he would reduce support prices for dairy products if farmers did not cut their production voluntarily. In other words, he asks the farmers to kill their cows or to milk them once every two or three days. And he seems to think the thing possible. He threatens the farmers by announcing that if they do not cut their production voluntarily he will cut the support prices.

Mr. Chairman, the Minister of Agriculture is having a good laugh at eastern farmers. He announces with a great blowing of trumpets, that he will apply the ARDA plan, a legislation which has been discussed for the past four years, and on the other hand, without any previous announcement, he proceeds for instance, with all the cuts I just mentioned and a great many others which have not yet come out. The ARDA program will be paid for by the farmers themselves because the Minister of Agriculture said that, this year, he would spend $700,000 under that legislation, and the cuts in his budget will give him much more than that. One of my farmers told me during the week end, that he called the month of September, when the Minister of Agriculture made most of his decisions, "black September". I think he was right.

But the minister is always serene, always genial. He doesn't seem to realize the consequences of his action and that of his department. Do you know what the Minister of Agriculture reminds me of? He reminds me of that boxer who was saved by the bell; only, in his case, he was saved by the Chinese communists.

All those unfortunate, discouraging and depressing decisions were taken since the minister has appointed an assistant for eastern Canada, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon). This means sacrificing a whole class of our society for a mess of pottage. And the hon. member for Joliette-L'Assomption-Montcalm seemed so smug, that he even declared in the house, in his speech on the address in reply:

> It is the first time that a French Canadian holds such a post for that department.

He meant that he was parliamentary secretary to the Minister of Agriculture. And, further on, on the same page, he said:

> I shall thus have the opportunity of being of greater service to the farmers of my country, to my fellow citizens in eastern Canada.

That is how, and I am recalling this for the benefit of my hon. friends opposite, the parliamentary secretary to the Minister of Agriculture wants to improve the farming situation in eastern Canada, that is by cutting or curtailing all grants which might help the farmer class. All the decisions I just mentioned, and many others which will be taken in the near future, or have been taken by the Minister of Agriculture and his parliamentary secretary, will have the result of discouraging the farmers. Therefore, I ask the members from the province of Quebec whether they are pleased today with their Minister of Agriculture, and I hope that if they did not have an opportunity of expressing themselves, they will do so before this discussion ends.

The hon. member for Nicolet-Yamaska (Mr. Vincent), made the following statement in this house, on October 18, as found on page 664 of *Hansard*:

> We, the Conservatives, are always practical people.

And he went on to say:

> We know there is always room for improvement... improvements which we continually introduce because we can depend on the co-operation of a Minister of Agriculture who understands the needs of the eastern farmers—

Well, I wonder if he is still able to repeat the statement that he made right here in this house on October 18, in the light of the decisions taken by his minister, which will deeply affect agriculture in the province of Quebec, especially by discouraging a great number of farmers' sons who wanted to take over from their fathers. Such is not the case of the hon. member for Matapedia-Matane (Mr. Belzile) who gloated over the statements of the hon. member for Bonaventure (Mr. Bechard). He attempted to prove that the soil of the Gaspe peninsula is not suitable for farming, when those people are working

steadily from morning till night to earn their living from that soil. Moreover, according to page 718 of *Hansard,* the member for Matapedia-Matane stated:

I would like to congratulate the Minister of Agriculture (Mr. Hamilton) for his obvious dedication to the agricultural class.

But all these cuts in the budget, in all the items, will surely discourage the farmers.

And a little later, the hon. member stated that his Minister of Agriculture was kindhearted. I can understand that he is kindhearted, since he has taken him along to Rome for three weeks; however, I would rather see him display his kindheartedness for the farmers in the province of Quebec, many of whom will not be able to pass through the hardship that is now brought upon them.

And what do we find in the speech from the throne? We find the following:

The prosperity of agriculture remains essential to the well-being of the entire Canadian economy.

Mr. Chairman, those are fine words placed in the mouth of the representative of Her Majesty, but they are in direct contradiction with the facts and the unfortunate decisions of the Minister of Agriculture. And a little further, in the same speech from the throne, the government directs the representative of the Queen to say:

My ministers recognize that livestock is occupying a position of increasing importance in Canadian agriculture. They propose that a program be instituted to ensure the availability of storage facilities and continuity of supplies of feed grain to match the expanding requirements for livestock production, particularly in the areas of British Columbia and eastern Canada where supplies of feed grain are normally deficient.

Well, Mr. Chairman, at the very moment when those words were being spoken in the upper house, the Minister of Agriculture and his Quebec parliamentary secretary were cutting down the appropriations ordinarily provided for that purpose. This means, therefore, that the government will do less in that field, this year, than it has done in the past, while in the speech from the throne, it indicates it will do more.

Again, a little further, in the same speech from the throne, we note the following:

The program of rehabilitation and development of agricultural lands is proceeding actively and you will be asked to provide funds for it.

But we shall be called upon to vote reduced funds. So, how can you expect that the development of lands may be carried on more actively in 1962-63 than it has been in previous years, when farmers will have less credit at their disposal?

A little further in the speech from the throne we note the following:

Legislation will be proposed to enlarge the funds of the Farm Credit Corporation, and allow greater flexibility in their use.

Mr. Chairman, that measure has been submitted to the house in the form of a resolution. Here is what is intended: reduce premiums, subsidies and assistance measures. Now, since farmers won't be able to live otherwise than by contracting more debts, money will be lent to them at 5 per cent. And, with supreme irony, the Minister of Agriculture is announcing a national conference on agricultural apprenticeship, which is to be held this fall.

Mr. Chairman, how can our young people, those who have an agricultural vocation and who are about to inherit from their fathers, how can they have a rosy view of life?

What encouragement can they expect to get from this government which has made them pay for its extravagances, mistakes and lack of practical sense, in a situation calling for greater state assistance?

Mr. Chairman, I hope I have said enough to bring back the minister to better feelings, and convince him to review his policy. I would ask him to urge his leader to look elsewhere and not in the farmer's pockets for the money he will need to bring his deficit down to $540 million.

And if the minister cannot find, within his own party, a member fit to replace his parliamentary secretary from Quebec, because I suppose that, the present situation being what it is, the latter will have no choice but to abandon his post, if, I repeat, the minister is having some difficulty in finding among his friends a replacement for the hon. member for Joliette-L'Assomption-Montcalm, I hope he will not hesitate to take into consideration the sensible advice given him by members from this side of the house and especially by those who had the privilege of belonging to a government which, until 1957, gave agriculture a great deal of prosperity.

Before closing, Mr. Chairman, I must truly say that the parliamentary secretary to the Minister of Agriculture should relinquish his post, if he does not wish to see his own electors asking him to do so.

I am not suggesting that he resign as member, for he is part of a government and I feel that a government should somehow reflect its members. He fits into the Con-

servative party and I believe he should remain there. But I do not think he is fit to be parliamentary secretary to the Minister of Agriculture, especially when one considers what the government intends to do to remedy an already sad situation which will be aggravated by the reduction of expenditures, those very estimates which were a source of hope for our farmers and on which they counted to balance their budgets.

Mr. Chairman, before I resume my seat, I ask once again that the Minister of Agriculture reconsider the situation, particularly the estimates of his department. I wonder if it would not be better if he asked the government to extend the austerity program by three or four days, so that he could not only recuperate the money that is to be taken away from him but also prevent the agricultural class from suffering more than it has during five years.

Mr. Ouellet: Mr. Chairman, I am pleased to take part in this debate on the revised estimates, since the discussion is about money and since Canadians are interested in knowing how they will be saturated and strained.

In looking over the statistics concerning the national debt, I would be very happy to direct some questions to Liberal hon. members who administered public affairs during 22 years.

Mr. Chairman, it is easy to find fault with the policy of the party in power, but if the estimates before us are so large and place such a burden on the people of Canada, it is not indeed because of a situation which has developed overnight.

I know that some of them will say it was caused by war expenditures. Very well. However, they could not be better administrators after—

An hon. Member: That was proven.

Mr. Ouellet: We shall come to that, do not worry. We shall set it straight together.

Mr. Chairman, if we study the figures given to us on October 17 last when I asked what the debt of Canada was towards other countries and what amounts were due to us, we notice some quite frightening things. As a matter of fact, on December 31, 1960, the United States owed us $3.6 billion, the United Kingdom $1.5 billion and other countries, $1.9 billion. But that table is not quite so interesting when it indicates that in 1960, we owed the United States $18.1 billion, the United Kingdom $3.6 billion and other countries, $2.8 billion.

Mr. Chairman, I cannot quite understand that situation. If I am not mistaken, it was said that we had granted Great Britain a credit of about $7.5 billion. I cannot conceive how we made loans to that country at an interest rate of 2 per cent while we still owe the United Kingdom $3.6 billion. Yet, the matter of interest rates is one which should concern the administrators of this country.

It is absurd to get only 2 per cent interest from a country on a loan of $1 billion and be compelled today, because of the austerity program, to pay 6.2 per cent interest to the same country in a loan of $600 million made to us. As Canada's administrators, we shall claim exactly the same interest rates we are paying, that is, starting today, we shall ask these large countries to pay us the difference between 6.2 per cent we are paying and the 2 per cent we get from them.

An hon. Member: The Conservatives are responsible for that.

Mr. Ouellet: Those responsible for the debt are on this side.

Mr. Drouin: Mr. Chairman, may I direct a question to the hon. member?

Mr. Ouellet: Wait till I have finished my speech; you may then ask all the questions you want.

Mr. Drouin: I am making a note of that.

Mr. Ouellet: Yes, you can ask as many questions as you want.

Mr. Chairman, if Canada owes $26 billion to foreigners and if its assets outside the country total only $9 billion, we must admit that the situation is not very encouraging.

The figures show that the gross debt amounts to $22.9 billion. That is really something. Are we to blame the Conservatives and say that they accumulated that debt during the last five years? I do not think so. They will undoubtedly be able to take care of themselves, but they need not worry because I have a few words to say to them.

If we add to the national debt of $22 billion, the municipal debt which exceeds $4 billion, the provincial debt which exceeds $4.1 billion, the school board debt which amount to $4.175 billion, and the $722 million owed by private citizens either to banks or to finance companies, on October 19, 1962, the total is staggering. Furthermore, if we take into account the $1.698 billion, or nearly $1.7 billion, in the books of the Central Mortgage

and Housing Corporation, it is not surprising that we are living in a period that can be called a period of austerity, especially in view of the way we administer our finances.

One thing has been left out and I should like to hear some explanations in due course. Our central bank bears the name of Bank of Canada, but there is proof that it has never been at the service of Canada; it has worked only in the service of international finance, for foreigners and international transactions.

That is the principle opposed by Social Crediters because, even though we live in Canada today, we are not, in fact, master in our own country. Proof to bear out that statement is plentiful.

A former member of the Liberal party, who died last December, unfortunately, dissociated himself from his party during the war, because he felt that Canada was doing more than it could afford. However, we have today the evidence that we have done things for which we have to suffer the consequences. We did not win the war and we became friends with the Russians whom we shall have to fight some day. These are the results of our policy since 1939.

I believe that in 1939—and somebody will correct me if I am wrong—the debt was not much over $2 billion, when today we see debts piling up one on top of the other and always with foreigners.

I apologize for speaking in such a way, Mr. Chairman, but as Canadians we have served the interests of the imperialists instead of our own and today, they are simply transferred to our neighbours to the south, namely the Americans, who control about 85 per cent of our finances and industry.

We are not master in our country but we still have here everything we need to solve all our problems, and we must remember that we should have had some help from the Bank of Canada.

How can you explain that a loan is good for the Americans and other foreign countries, since it bears interest at 6 per cent, is not good for Canadians, under the same terms and simply with administration costs? We would certainly have the same results.

If we consider the total of our debts we notice that more than half of our income is used up just to pay interest to foreigners working against us.

I have here a report that I received at noon. It shows the unfortunate results of the last two wars, as it deals with 155,000 persons receiving a pension as a result of war injury. These people answered the call of their country and they have the right to live. However, in a country such as ours, I believe that we are overburdened with payments of all sorts.

In my opinion, if we pursue such a policy, whether we want it or not, a day will come, when the Canadian people will ask for a rendering of accounts.

That is exactly how certain democracies were lost, just because of irresponsible action on the part of their governments.

That is what the Minister of Justice (Mr. Fleming) accomplished by working in the interest of foreign countries when he held the finance portfolio in 1958. The Canadian people had painstakingly bought $6 billion worth of victory bonds bearing 3 per cent interest and becoming due a certain number of years later. What did the minister of finance do then? He converted those $6.5 billion worth of bonds and, according to newspaper reports, this operation cost Canada over $400 million.

However, the worse part of it is that the bonds that the people had to convert are now in the hands of financiers. The latter were given a reward of 3 to 4.5 per cent which cost Canadian taxpayers more than $90 million a year.

And yet, there are those who would have us believe that that was good administration. Well, let me tell you one thing. I, for one, think quite the opposite. I see things exactly as they happened.

The house is concerned with present events in Cuba. But what have we, Canadians, done? We have spent our time undertaking crusades abroad, very often in places where we had no business to be. And today, we are surprised at having to pay the consequences and at being in debt.

Those wars cost Canadian taxpayers over $50 billion. Why, I ask you?

Today, we are on the brink of bankruptcy, and what do we have to show for it?

I do not want to raise the racial issue because we are all Canadians whether we come from Newfoundland, Vancouver or the

province of Quebec. We want just one thing, and that is to live with all the other Canadians, no matter what their language or their race. We want to be Canadians first and before all, in the interest of Canada.

I live in the province of Quebec, and I cannot commend the federal government because we, French Canadians, have never been treated as we should have been. Now, there is some surprise to hear talk about separatism. Hon. members, if the French Canadians are not treated differently from now on and if the rights of the province of Quebec are ignored, separatism will become a reality one of these days.

I am not a separatist because, as Canadians, we have absolutely nothing to gain from separatism; but there is a limit to what people can stand. That is the situation at the present time.

I have here in my hand figures concerning my constituency and I see that during the last ten years more than 5,000 employees in the textile industry were laid off for the only reason that textile products are imported from foreign countries. Why is my region always the victim of the trade we make with other countries? I think that it should be another region's turn. Besides, it is clear that those foreign manufactures pay starvation wages and quite often their labour conditions are unreasonable.

The same conditions exist in agriculture. If industry does not pay high enough wages, the farmers in its neighbourhood cannot live either. At present, I think that the whole population in Canada—whatever is their mother tongue—think exactly the same way as I do, that the administration caters only to the big financiers of Canada or of foreign countries.

Today we are told that the doctrine put forward by Social Crediters, will bring about inflation. This makes me laugh.

I will describe a case which happened under the present administration, because we are not in office. About four months ago, the authorities of the city of Montreal called tenders from the Imperial Oil Company and others for 2 million gallons of gas to be used in its motor vehicles. What happened? This gas was sold at 12.89 cents a gallon while we pay 45 cents for it. If this transaction is examined in more detail, it will be discovered that after deducting income tax and municipal taxes this company can put money away for the future.

[Mr. Ouellet.]

Therefore, it is imposition and taxes that cause inflation. What is the use imitating the ostrich and hiding our heads in the sand? The time has come for this government to change its policy. Let the government of Canada take back the power it gave to the Bank of Canada, let it lend money to Canadians without interest at cost only. Let the government lend funds, as many suggested before me, without charging interest, and only at cost, to cities, municipalities, school boards and provinces without infringing on their rights.

I am wondering whether we are going to keep on implementing the kind of economic policies we have at present.

Canadians should enjoy a tax reduction as my colleague stated. It would be easy with the income of the government to grant total exemption to all heads of family earning less than $5,000, and to all single taxpayers with incomes less than $3,000. It would be possible to grant increased old age pensions at age 65. Let us not forget that we have been generous with foreign countries, that we have in many instances welcomed as official guests honourable mendicants. We have been most generous to some foreigners, and, in my opinion, the Canadian people deserve an explanation from the government in this connection.

The Prime Minister's stand at the prime ministers' conference on the common market, which was held in England, was criticized. I am not competent to discuss such matters, but yet, one thing that surprised me is that the Prime Minister forgot that Canada has been independent since 1931, through the Westminster Statute, and that we were therefore entitled to make our own decisions. I actually admired the Prime Minister's response, but I blame him for not having had such thoughts before. Should he have thought that way we would probably not be in the situation we are now.

Now let us pass on to a matter I did not mention earlier. About the rights of minorities, anyone who comes to my town where there are French and English speaking people, all equally friendly to me and some of them my customers, people I see every day, is able to notice that those people know how to achieve national unity. If you want to learn the mechanics of national unity come to my riding and you will learn a wonderful lesson.

All these people were born in England, and oddly enough, we get along very well together. I believe that some people in this house are greater imperialists than the king himself. This often proved to be the case in the past. Some newsmen say that our system is topsy-turvy, but what ideas and policies have they upheld until now? They have defended a financial policy which is bad for Canada, and tried to have us believe that it was excellent.

At least, we have the courage to suggest something new. Give it a try, and if it does not work, then we shall see, but for Heaven's sake, give it a try, for we know that the old systems do not work. They are old, broken down horses.

Let me only quote a few words by Mr. Sales, the former president of the Ford Motor Company of Canada who said, two years ago, speaking before the Toronto board of trade:

> Do away with politicians and economists and Canada will be a new country tomorrow.

And then, some people are surprised to see that some Canadians are unsatisfied. Frankly, I think some people do not catch on very quickly. A day will come when the people of Canada will claim their financial rights. Nobody ever claimed any such right before.

We are not blaming the members because, after all, they were elected by the people. We are gathered here, 265 strong, to watch over the nation and settle its financial problems. When you meet members of the other parties in the corridors, they will confess that they have no money, that they cannot even settle their own financial problems. Why should we side with their brand of politics and deceive 18 million Canadians? There is something wrong in your political system.

I have just received the economic policy of the present administration and that of the hon. members of the opposition who preceded them. Let us now turn to another point. The Prime Minister with all his responsibilities is paid $37,000 a year. Then, the presiden of the C.N.R. gets $50,000 a year plus travelling expenses, and in the past five years he has been presenting us with deficits totalling $60 million. There was another man who received $50,000 a year, he was the president of the Bank of Canada. When he no longer was the right man, the hon. gentlemen opposite tried to dismiss him. So the Leader of the Opposition resorted to the bill of rights in order to keep a man who earned $50,000 a year, while 500,000 unemployed in this country had to go to bed without any supper. However, nobody finds time to stand up for the little fellow.

An hon. Member: Demagogy.

Mr. Ouellet: They call that demagogy, but it is the truth and I challenge you to prove me wrong. Besides, it is only the big shots, the administrators who call it demagogy. You were a member of parliament—and I challenge you to prove me wrong—when the bill of rights was invoked.

Mr. Chairman, in view of all those facts, I believe that the Canadian government should take a closer look at the situation and act accordingly.

(Text):

The Deputy Chairman: Order. So that the house may proceed to the consideration of private members' business, pursuant to section 3 of standing order 15 it is my duty to rise, report progress and request leave to sit again later this day or at the next sitting of the house as the case may be.

Progress reported.

The Speaker: It being five o'clock in the afternoon, the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions.

(Translation):

FAMILY ALLOWANCES

TEMPORARY PERIOD OF ABSENCE OF CHILDREN FROM CANADA

Mr. Guy Marcoux (Quebec-Montmorency) moved:

> That, in the opinion of this house, the government should give consideration to amending the Family Allowances Act to provide that, when otherwise qualified, a child shall not be deprived of allowance during a temporary period of absence from Canada while his parents are in attendance at an educational institution.

Mr. Speaker, my explanation will be brief. The motion refers to Canadian families who in order to get an education, at the university or other level, and for some reason or other, have to live abroad. We all know that most of these people have reached a certain age, that they even have children. When they have to go to a foreign country to complete their education, they are deprived at once of the urgently needed family allowances.

I know of several cases, but I shall only tell you of one which is nevertheless quite

typical. It concerns Canadian citizens of Dutch extraction who had to go to the United States in order to further their studies in their own language. While in the United States, the children lost their eligibility to family allowances, under section 4, paragraph 2(b), which provides that allowances are stopped as soon as a child is no longer a resident of Canada.

Therefore, in order to help the families of our young people who must go to school abroad for various reasons, either for a matter of language, as in this case, or simply for reasons of personal education, we thought that it might be advisable to put a special provision into the act so that those children could keep on getting family allowances even though they reside outside Canada.

I have no other explanation to give. I know that this matter comes under the purview of the Minister of National Health and Welfare (Mr. Monteith); maybe he has certain projects under way in that respect. In any case, I feel this motion should be considered in order to assist a number of our fellow citizens who must go abroad to complete their education.

(Text):

Mr. E. A. Winkler (Grey-Bruce): Having listened to the hon. member who introduced the resolution I feel that possibly his motivation for coming forward with it emanates from knowledge of specific cases of the kind he mentioned. However, when one looks at the terms of the resolution, in my opinion it could go much beyond its present scope. I may say I have had many thoughts on this matter since becoming a member of the house but I believe it is wise for us to bear in mind—I say this prior to the points I wish to make—that at the present time the taxpayer is footing a bill in round figures of more than $540 million. That is something which is all too often overlooked when we consider measures such as this.

Nevertheless, Mr. Speaker, I feel the case which has been made is a very valid one and deserves consideration. I have no doubt about that, but as we think of the different methods we are using to encourage people, particularly young people, to stay at school, we must realize there are other areas in which we could project our thinking. Like the hon. member who introduced the motion, I too am thinking of specific cases as well as the general good.

It may be time when we should consider the extension of family allowances beyond the present age limit, as an inducement to those young people already academically qualified to extend their qualifications in our educational institutions, particularly in the case of families who find it difficult to support and provide them with the further training they may require.

Another consideration is the extension of the current hospitalization scheme so far as the federal government is concerned. I am aware of the fact that in some provinces, at least in one other province apart from the one in which I live, this is a matter which is taken care of at present, and there are very worthy measures respecting family allowances and hospitalization for parents of dependent children to help them provide further facilities of education to their children.

It may not seem very important but, like the hon. member who introduced the motion, I am aware of cases and instances where dependent children would have extended their education had these small facilities been available to their parents. The worthiness of the motion could be extended to include both these fields. I am happy to say I would be pleased to support its terms and its extension along the lines I have mentioned.

(Translation):

Mr. Rinfret: Mr. Speaker, this is the first time I have the honour to take part in a debate in this house and I am very proud to speak as the member for the constituency of St. James.

I am aware of the role that can be played by a member in the application of social principles and to help to improve the lot of the nation, and I rise in this house to take part in this exchange of opinions on family allowances which, in this time of austerity and unemployment, under a Conservative government, are so highly appreciated by all families in this country.

Since 1958, statistics show that Canada has had an average of 450,000 unemployed and that in a city like Montreal the figure ranges from 65,000 to 85,000.

Mr. Speaker, the figures published by the dominion bureau of statistics indicate that 91 per cent of those who are unemployed are heads of families.

Were it not for the measures taken by the Liberal party in the field of unemployment insurance, old age pensions, hospitalization insurance and family allowances, poverty and distress would prevail in many parts of this country.

Since the beginning of this century, social security, in the shape of old age assistance, hospitalization, unemployment and family assistance, has been due to the action and achievements of the Liberal party under Liberal leaders.

We are now studying a motion introduced by the hon. member for Quebec-Montmorency

(Mr. Marcoux), who wants family allowances to be granted to any child temporarily absent from Canada, when his parents are attending some educational institution.

Mr. Speaker, at this stage, it might perhaps be useful briefly to recall the history of family allowances in Canada. It was the Liberal party, under the leadership of William Lyon Mackenzie King, which put forward a family allowance plan in 1944.

The Liberals firmly believe today, as they did then that the family and the home are the very roots of national life.

In 1944, the Liberals wanted to give valuable assistance to Canadian families by bringing in legislation of an eminently social nature. Hon. members will remember that in 1944, the Conservatives not having the support of their twin brother, the Social Credit party, were therefore in the opposition.

We may also recall the violence with which some Conservative members opposed that legislation and tried by all possible means to have it shelved. Their argument was that the bill was unconstitutional. It was even suggested that such measure would be an act of corruption and favoritism with regard to the province of Quebec where, even today, the greatest number of large families is found.

And French speaking Canadians bitterly recall the fact that during the discussion on that bill, in 1947, the Conservative member for Toronto-Parkdale (Mr. Bruce)—

Mr. Speaker: Order. I should like to point out to the hon. member that he may give the background of family allowances. However, I suggest that he is departing from the principle of the motion now before us when he attempts to go into the detailed history of the whole question of family allowances. The principle of the motion before us is rather limited. In fact, this is how the motion reads:

> That, in the opinion of this house, the government should give consideration to amending the Family Allowances Act to provide that, when otherwise qualified, a child shall not be deprived of allowances during a temporary period of absence from Canada while his parents are in attendance at an educational institution.

Such is the principle of the motion before us, and all discussion must be germane to it, and not go through the detailed history of family allowances. Otherwise, this would cause endless discussions.

Mr. Rinfret: Mr. Speaker—

(Text):

Mr. Pickersgill: Mr. Speaker, if I may say a word on the rather astonishing point of order raised by Your Honour, I would point out that hon. members are limited to 20 minutes in this debate. On these motions of private members, when it is suggested that it would be desirable to have an amendment made to an act, I have never heard any of your predecessors suggest that one could not give some description of the origins and background of the act, or that there should be any restriction whatsoever upon that. It seems to me this is a kind of restriction which it would be most undesirable to have imported into our practices.

Mr. Speaker: I would draw to the attention of the hon. member that the rule of relevancy applies at all times in this house, and therefore I hope debates will be relevant to the questions before the house. It was in that light that I drew to the attention of the hon. member that, while he could make some historical reference, he should not perhaps devote the whole of his speech to that particular phase. That is not what I would like to see in this type of debate. I might point out that I do not think sin acquires an aura or a mantle of sanctity merely by the number of times it is committed.

(Translation):

Mr. Rinfret: Mr. Speaker, when we talk of the Family Allowances Act, it is appropriate to set out the principle involved, as well as the administration of the act since it was passed in 1944.

I only wanted to inform the house of certain views put forward on the principle of family allowances and, for this purpose, I should like to quote the statement made in this very house by the then hon. member for Toronto-Parkdale (Mr. Bruce):

> That province—

He was talking of the province of Quebec.

> —on account of its large families, will be the one to benefit the most from this legislation, at the expense of the rest of the country.

What fanaticism. What pettiness on the principle of the administration of an act such as the one on family allowances.

(Text):

Mr. Valade: Mr. Speaker, on a point of order.

(Translation):

Mr. Speaker, following the remarks you have made about the attitude that the hon. members must adopt here, in relation to this proposal, I must say that if the hon. member for St. James (Mr. Rinfret) keeps on pursuing this line of conduct, I reserve the right, with the permission of the Speaker, when I reply, to deal in detail about the insults offered the French Canadians in this field by the Liberal party. I would like to benefit from the same latitude when I reply.

Mr. Speaker: When a member rises on a point of order, I do not think it is proper for him to tell the Speaker: "If you allow such and such a member to adopt such a line of conduct, I reserve the right to do the same." I do not think this is in keeping with the traditions of the house. I would really prefer to hear what the hon. member has to say on the principle of this proposal.

Mr. Rinfret: Mr. Speaker, I am just coming to a point which will certainly please the mover of this motion, the hon. member for Quebec-Montmorency. In fact, when the Liberal party adopted the principle of family allowances, in 1944, our Social Credit friends will admit that such a measure contributed to a greater circulation of money, increased national production, increased consumer demand and contributed as well to the development of the human person.

Now, in 1957, on account of the economic conditions and needs of the time, the Canadian parliament increased the rate of family allowances for two categories of children, at the request of the Liberal party, which was then led by the Right Hon. Louis St. Laurent who, like his predecessors, wished to improve the fate of middle class people, of urban and rural workers.

In 1962—

Mr. Marcoux: What was the increase?

Mr. Rinfret: My hon. friend, there have been increases for two categories, one dollar for each.

An hon. Member: Shame.

Mr. Rinfret: And we come to—

Mr. Vincent: And the third category?

Mr. Rinfret: —and we come to our friend from Quebec-Montmorency (Mr. Marcoux) who said that the measure should be more generous. We shall demonstrate that it is a piecemeal measure. And now, I come to the point. The Liberal party manifesto, as presented by the Leader of the Opposition (Mr. Pearson), advocates the extension of family allowances up to 21 years of age for boys and girls who are still studying.

An hon. Member: That was included in our program.

Mr. Rinfret: If this measure were to pass, then parents would be able to leave their children in school longer and as a result the number of unskilled teenagers would be reduced on the labour market.

[Mr. Valade.]

In recent years, a greater number of young people are attending high schools, trade schools, colleges and universities. Therefore, it would only be fair that parents receive allowances for their children under 21 who attend school.

An hon. Member: What amount?

Mr. Rinfret: The hon. member for Quebec-Montmorency is suggesting an answer to the problem of a very small number of Canadians. We know that only a few families live abroad because the father or mother are continuing their studies, and that the number of children eligible to family allowances in that case is insignificant.

We realize that the provisions of the act would be beneficial to those families living abroad, but we also believe that it is even more important to provide some assistance to the parents of children between 16 and 21 who are still at school.

In conclusion, I endorse the parsimonious offer of the hon. member for Quebec-Montmorency, but I should like to introduce an amendment which will benefit a greater number of Canadian families. That is why, I move, seconded by the hon. member for Chambly-Rouville (Mr. Pilon), the following amendment:

That after the words "educational institutions", in the last line of the motion, the following words be added:

in addition, that family allowances be extended beyond the age of 16, until the age of 21, if the child continues his studies.

Mr. Marcoux: May I raise a point of order, Mr. Chairman?

Mr. Speaker: No. One moment.

I have here an amendment proposed by the hon. member for St. James and seconded by the hon. member for Chambly-Rouville. However, I must tell them that there is a great difference in the French version as compared with the English version.

An hon. Member: Two policies, one for the east and one for the west.

Mr. Speaker: May I be permitted to show you the difference between the two versions. The French version says that every child who continues his studies would be eligible for family allowances. But the English version, in the way it is written, would limit allowances to children whose parents are away in the United States, since it reads: "if the child . . ."

Mr. Rinfret: To avoid any confusion, take the French version.

Mr. Speaker: Then it is proposed as an amendment:

That after the words "educational institutions" in the last line of the motion, the following words be added:

—in addition, that family allowances be extended after the age of 16, until the age of 21, for every child who continues his studies—

Are you through?

Mr. Marcoux: On a point of order.

Mr. Speaker: Then state your point of order.

Mr. Marcoux: I suggest this amendment is not in order because it has nothing to do with the motion I put forward. If the hon. member wishes to propose an amendment to the act, he can amend section 4, subsection (2), paragraph (c). That is fine. Now, he wants to amend section 4, subsection (2), paragraph (b).

Therefore, I do not believe the hon. member can propose an amendment to this motion which has nothing whatever to do with the section referred to.

Mr. Speaker: I will have the hon. member note that the mover of a motion does not propose an amendment to the bill, since he has no right to do so, because the measure would entail the expenditure of public funds. All the hon. member is doing is making a recommendation to the government. So, whether the hon. member for St. James (Mr. Rinfret) is proposing an amendment or making a recommendation, it is in order and I accept it.

The hon. member for Quebec-Montmorency, as a private member, cannot move amendments to the act, even though he may want the Family Allowances Act amended. He can only make a motion calling the attention of the government to a principle. Therefore, no definite section of the act is referred to and so, another member may move an amendment to the main motion in order to change its wording slightly.

I accept the amendment.

Mr. Marcoux: I rise again on a point of order. I was under the impression that an amendment was something that altered in part the meaning of a proposal. I do not pretend that I am entitled to introduce a bill and that an hon. member is entitled to amend it, but I think that, as regards semantics or the meaning of words, an amendment is something which alters or sets right part of a proposal.

I understand the hon. member wishes to propose the change we had ourselves suggested in our program, but I submit that his amendment is out of order.

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

Mr. Speaker: I cannot recognize the hon. member for Argenteuil-Deux-Montagnes for the good reason that he is not sitting in his seat.

(Text):

Mr. MacEachen: Mr. Speaker, I do want to comment, in connection with this particular discussion now going on, as to the relevancy of the amendment. I submit that at this stage it is improper to raise a point of order because the motion as amended was put to the house by Mr. Speaker, and at that point—

Mr. Speaker: I read it; I did not put it.

Mr. MacEachen: —a decision was made on the point of order to the extent that Your Honour recognized the hon. member for Burnaby-Richmond. I suggest that it would be quite irregular for Your Honour to recognize the hon. member if the motion had not come formally before the house.

Mr. Speaker: I rather think the hon. member is dotting the "i's" and crossing the "t's". I recognized the hon. member for Burnaby-Richmond. The hon. member for Quebec-Montmorency was raising a point of order and at that time I had not made my ruling on the amendment. Being a new member, I was explaining matters to him. Perhaps some of the experts would give the odd new member a little latitude. I recognize the hon. member for Burnaby-Richmond.

Mr. Pickersgill: Before you call on the hon. member for Burnaby-Richmond, I think we should have the point clarified. Has Your Honour now ruled that the amendment is in order? Because my understanding was that Your Honour had ruled it in order and had called on the hon. member for Burnaby-Richmond before the hon. member for Quebec-Montmorency rose for the second time. It is a well known and well established rule of this house that once the Chair has made a decision the question cannot be re-opened, and I think it was on that point that my hon. friend for Inverness-Richmond was speaking.

Mr. Speaker: That may be so, but the hon. member for Quebec-Montmorency is a new member and may not be as fully aware of the rule as others, in the same way that the hon. member for Argenteuil-Deux-Montagnes was not aware and unwittingly transgressed the rules. I call on the hon. member for Burnaby-Richmond.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I think this is the third time that I have risen to speak, but I always seem to run into points of order which come from the Liberal benches. It seems to me that if the hon. member for St. James was really interested in getting this resolution passed during the very limited time which we have, he would not have taken up time with his amendment. I do not wish to speak to it, but it was a fairly straightforward point which could have been put through.

I appreciate the point of the resolution of the hon. member for Quebec-Montmorency (Mr. Marcoux), speaking on the main motion for a moment, if I may, as I was one of those who attended university after the war on Department of Veterans Affairs credits and family allowances warrants, as they were at that time. In these days a great many young Canadians do have to go to school in other countries and need every bit of financial help they can get. If this resolution were passed, it would certainly be an aid to these people, so I will simply say that we support the idea. We also support the idea in the amendment. I should like to make one other comment at this time on private members' bills. I realize that it is the tradition around here that they all get talked out, at least invariably so. This seems to me too bad. There are some good ideas which could be allowed to slip through once in a while; so therefore today I appeal to the shock troops on the Conservative back benches to hold their fire and let something good go through for a change.

(Translation):

Mr. Georges Valade (St. Mary): Mr. Speaker, one of my friends opposite, for whom I have great respect, has just made a remark he should have kept to himself. He said: "They are still talking". I wonder if an hon. member can stop another member, in a democratic country, from talking on a resolution of this importance, especially when there is need to point out the statements, irregularities and implications found in the speech made by the hon. member for St. James (Mr. Rinfret) a while ago, when he spoke to this resolution.

The motive of the main resolution is commendable, but with regard to the amendment, it does what the Liberals are used to doing, irrelevant party politics.

Mr. Speaker, I would like first of all to say that I am a little confused by this resolution. I wonder if I have the right to speak to this resolution or to the amendment proposed thereto. I should like to talk to the amendment and reply also to erroneous statements just made here by the hon. member for St. James, when he claimed that unemployment has increased; this is particularly true in Quebec since the Liberal party took office in that province, the province in which the party funds had their friends elected here, stating that in 1960—

An hon. Member: This is not the matter under consideration.

Mr. Valade: —that if the Liberal Government was elected—

Mr. Speaker: I must draw the attention of the hon. member to the fact that we are not running here for a provincial election. And I could have said the same thing to the member for St. James.

Mr. Valade: Mr. Speaker, as I said in my remarks on the point of order raised by the hon. member for St. James, the hon. member had much latitude thanks to the generosity of the house and the understanding of the Speaker, due to the fact that he was a young member and a newcomer to this house. He had full opportunity of speaking about politics and provincial matters, like the unemployment question and the austerity program for instance.

I claim that I have a right to the same latitude, so as to be able to answer the hon. member for St. James for what he said with regard to the Liberals. The text of his intervention will be addressed to the voters of his riding, which is next to mine in Montreal. I have to take the opportunity of making the people of Montreal understand that if there is unemployment exceeding the basic figure—

Mr. Robert Beaule (Quebec East): Mr. Speaker, on a point of order.

Mr. Valade: —it is because the Liberals of the province of Quebec did not keep their promise to settle the unemployment question in the province of Quebec.

Mr. Beaule: Mr. Speaker, on a point of order. I am wondering whether the member for St. Mary wants to enter into a discussion with the member for St. James or whether he intends to speak to the amendment?

Mr. Speaker: There has to be some sort of balance about it. I am listening closely to the member for St. Mary, and I do hope that he will heed the advice I gave him as the hon. member for St. James has done.

(Text):

Mr. Pickersgill: Mr. Speaker, on the point of order which Your Honour raised, I draw your attention to the fact that my hon. friend for St. James spoke only about family allowances and not about chômage et autres questions comme l'honorable député de Sainte-Marie.

Mr. Speaker: I am glad that the hon. member for Bonavista-Twillingate is vigilant in this debate. He will also note that I had intervened before this to bring the hon. member for St. Mary back to what I considered the principles of this motion. I hope that he will follow those observations and then we will get somewhere on this particular motion.

(Translation):

Mr. Valade: Mr. Speaker, it is always a pleasure for me to abide by the wise rulings you give concerning the younger members of the house and even concerning such a veteran as the hon. member for Bonavista-Twillingate.

As I was saying at the beginning of my remarks, the resolution introduced by the hon. member of the opposition has some merit. Indeed, it causes us to wonder whether it would not be advisable to amend the Family Allowances Act.

Yet, it seems that the resolution is rather vague concerning the period of time a person would be allowed to spend outside of Canada for the purpose of education. I cannot conceive of a person studying abroad for one, two or even 10 to 15 years and then not returning to Canada even though his children have been getting family allowances all that time. Then the Canadian government would have paid non-resident children, enjoying the advantages of the foreign country, allowances coming from Canadian citizens' income.

I do not question the seriousness and the intentions of the hon. member who put forth this resolution which, I think, is more objective and sincere than the amendment which was introduced and, which was completely political in character and had no social importance whatsoever.

I cannot miss this opportunity to replace in its real context the statement made by the hon. member for St. James, who said that the Family Allowances Act was the result of the generosity of a former prime minister, the Right Hon. Mr. King. To bear out his own statement, he quoted a former leader of the Conservative party and deplored his general attitude towards family allowances.

Mr. Speaker, I remember the time when the Conservatives opposed neither the act nor the principle of family allowances but rather the way the Liberals had planned it. Their attitude was an insult to the people of the province of Quebec. While we Conservatives asked for family allowances at climbing rates, the Liberals wanted decreasing rates. That was the issue that divided the Quebec members.

And such was Mr. King's policy.

We Conservatives tried to introduce more fairness into our legislation. Therefore the amendment to this resolution would certainly have been more serious if it had been presented as the hon. member suggested a moment ago, in the form of a bill rather than under the guise of a publicity trap. The introduction of a bill would have afforded the hon. member an opportunity of explaining why he wanted to amend the Family Allowances Act.

We are all in favour of family allowances. I would even support family allowances adapted to economic cycles. Indeed, I am of the opinion that family allowances should be flexible and move with the cost of living, thus always ensuring a maximum allowance.

Family allowances render great services to families, and I think we are all anxious to find a formula that would take into account the variable requirements and economic conditions in our nation.

The resolution could have been more explicit as regards the duration of absence abroad for education purposes. It could have contained some provisions about the case of a person collecting allowances from our country for a certain period, then deciding not to return to Canada. This resolution could have incorporated some arrangements providing for a refund to the government of amounts paid for a number of years to persons who decide to remain outside of our country. In my opinion, we should be given an opportunity to consider this motion on another occasion when we might include certain provisions in line with what I have just suggested.

Mr. Speaker, I wish to repeat that if unemployment has increased in the city of Montreal and in the province of Quebec it is due to the sorry program put forward by the Liberals who were elected at the time of the provincial election.

(Text):

Mr. R. J. Cashin (St. John's West): Mr. Speaker, I find myself in somewhat of a unique position in supporting, as I now intend to do, the resolution introduced by the Social Credit member. I should also like to take this opportunity to sympathize with the hon. member for Burnaby-Richmond who seemed to be having some trouble in getting off the ground. That difficulty is, of course,

nothing new to the adherents of his particular philosophy. To the hon. gentleman who has just preceded me I might say that I thank him for his little lecture on parliamentary behaviour. However, I think it would be a wise suggestion if he would be kind enough to take the hon. member for St. John's East (Mr. McGrath) within the sphere of his influence. I am sure there is much he could teach him.

In considering this resolution I should also like to point out something else to the hon. member who preceded me. If my earphones were tuned in properly, as they usually are, I believe he suggested that in the amendment there should have been included some reference to the cost or to the payments themselves. My understanding is that this procedure is not permissible at this time and that we can only ask the house to consider the advisibility of these amendments.

I may say that the financial burden placed upon families, particularly at this time and particularly in the constituency which I represent, would be alleviated if students over the age of 16 years and up to the age of 21 years were to benefit from the Family Allowances Act. There are a great many examples of large families where a number of members of the family, perhaps two or three, are pursuing higher education. I feel that in a general sense it would be in line with the philosophy of government in this country if we were to broaden the scope of this legislation.

I do not wish to take up too much of the time of the house at this moment. I merely wish to limit my remarks to expressing my support of this motion. I may say that an unusual occasion is presented for this House of Commons when we see a ray of light coming from the marriage that conveniently keeps this house in session. We should not, however, as a result of this circumstance, be carried away with greater hope for increased enlightenment on some of the more important problems of this country. I would remind you, Mr. Speaker, that in the kingdom of the blind the one-eyed man is king.

Mr. McGrath: May I ask the hon. gentleman a question?

Mr. Cashin: I am always glad to hear from the hon. member for St. John's East.

Mr. McGrath: Would the hon. member have broadened the scope of the bill to include students at law such as the hon. member for Bonavista-Twillingate?

(Translation):

Mr. Robert Beaule (Quebec East): Mr. Speaker, in reply to the hon. member for St. Mary (Mr. Valade), who said that the motion was not clear, I must say that, in my opinion, it is very clear and simple. I cannot see why he who said that a child can study 15 or 20 years in Europe, would not support it, for it has to do with family allowances, not with old age pensions. The motion is not about old age pensions but about family allowances.

(Text):

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I wish to advise the house that I am in agreement with both the amendment and the main motion. The motion as originally placed before the house was commendable in that it pointed out one other area in which family allowances could be expanded. I have felt that there are several situations in which family allowances are properly payable even after the child has reached the age at which the allowances are normally discontinued. The amendment broadened the scope of the original motion to a point that I would still agree is commendable.

I know, and I suppose all hon. members know, that there are cases of children whose father has died or who is not supporting the family, and in the province of Ontario such a child is supported by assistance under the mothers' allowance regulations. In most provinces these allowances are discontinued when the child reaches a certain age and, to add insult to injury, family allowances are also discontinued at about the same time. This creates a great hardship for the widowed mother in many of these cases where the provincial mothers' allowance and the federal family allowance are both discontinued at approximately the same time. The children still have to be sent to school either within the community or somewhere else.

I believe that an expansion of the provisions of the act to cover these situations would be met with general approval.

With respect to the original motion, when a parent goes to another country to carry on his education that parent generally is classified in that country as a non-resident. Under these circumstances he is not entitled to the privileges of a resident of that country and therefore does not qualify—

(Translation):

Mr. Lamy: Mr. Speaker, is the hon. member killing the motion?

(Text):

Mr. Aiken: I would ask the hon. member to repeat his question.

(Translation):

Mr. Lamy: Mr. Speaker, I asked the hon. member if he was killing the motion. It is now four minutes to six.

(Text):

Mr. Aiken: I will be talking until six o'clock, although I had not intended to. Other

hon. members have risen in their places to indicate that they wish to speak on this matter, and there is also the technical difficulty that has been brought about by the introduction of the amendment in that we now have to deal with both the amendment and the main motion. Therefore I think some time would have to be given to hon. members for consideration of the amendment. The original motion was on the order paper and hon. members had sufficient time to prepare themselves to speak on that particular subject and to come to a conclusion about it. In fact, I had come to the conclusion that I would support the original motion moved by the hon. member for Quebec-Montmorency. However, an amendment was thrown in at the last minute and I think hon. members should have time to consider the amendment as well. Therefore I do intend to speak until six o'clock.

I have a few things to say and I want to say them before my time expires. At the present time family allowance payments are withheld when a parent goes to the United States or to another country for a period of three months on the assumption that the parent will return. I understand this is done under the provisions of the regulations. If the motion were brought into effect I think it would be very helpful but it would have to be limited to parents who intend to return to this country eventually. I think that would be one of the first requisites we would want to establish. When the old age pension legislation was amended two years ago permission was granted for the payment of pensions outside of Canada for any length of time after the person has become eligible; but in this particular instance I do not believe this would be suitable because, as has already been pointed out, there would have to be some evidence that the parent and the children eventually intended to return to this country. I should like to point out particularly, Mr. Speaker, the provisions of section 4 of the Family Allowances Act.

An hon. Member: Six o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, I should like to inquire from the house leader about the business for tomorrow. I take it for granted that we will continue with the debate in committee of ways and means, but I wonder whether the house leader could give some indication of what bills he intends to call on Friday and, so far as next week is concerned, will he indicate whether we will be having a motion to go into committee of supply?

Mr. Churchill: Mr. Speaker, tomorrow the house will continue in committee of ways and means as it was today. On Friday we will take up and complete, I hope, the resolution in the name of the Minister of Agriculture dealing with the Farm Credit Act, which is No. 27 on today's order paper. That will be followed by the second reading of Bill No. C-3, an act to amend the Food and Drugs Act. After consideration, I may add one or two other items tomorrow night. It is difficult to forecast next week's business until we see what progress we make in committee of ways and means.

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

HOUSE OF COMMONS

Thursday, October 25, 1962

The house met at 2.30 p.m.

THE ROYAL ASSENT

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

Ottawa, October 25, 1962.

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, P.C., Chief Justice of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 25th October, at 5.45 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
A. G. Cherrier,
Assistant Secretary to the Governor General.

PRIVILEGE

MR. HOWARD—ANSWER TO QUESTION ON ORDER PAPER

Mr. Frank Howard (Skeena): Mr. Speaker, I rise on a question of privilege concerning this house and all hon. members in it. My question of privilege involves an answer given yesterday to a question of mine, and may I preface it by pointing out that in *Hansard* for June 7, 1961, at page 5965, certain information was given in reply to a question by the hon. member for St. Denis indicating travelling expenses of the Postmaster General for the month of May to the extent of $317.33, and indicating that certain other transportation was provided for the Postmaster General free of charge by government services.

Yesterday the question I asked, and which was answered, was as follows:

Did any members of the cabinet incur any travelling expenses between April 1, 1962, and June 30, 1962, inclusive?

To this the answer was yes. The second part of my question read:

If so, for each member of cabinet, what was, for each day, the amount of expenses incurred, the point or place travelled to, and the purpose of the visit?

The answer to this was:

The information available does not permit an answer to be given to this part of the question.

I submit, by virtue of the fact that a somewhat similar question was answered in 1961, this information is available, and my question of privilege is that the government is withholding information from parliament relating to travelling expenses of cabinet ministers and accordingly should be censured for it.

Mr. Speaker: The hon. member, having raised a question of privilege and I having looked at the matter, I feel that there is not here a true question of privilege. It perhaps might be a grievance and it may have been treated as a question of grievance on a previous occasion. I think I would leave it at that so far as the hon. member's raising of it as a point of privilege is concerned.

EXTERNAL AFFAIRS

CUBA—STATEMENT BY PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I should like to make a short statement in regard to the Cuban situation. I do not intend to recapitulate the events of the last few days, all of which are known to hon. members. However, I think I should refer to President Kennedy's statement on Monday night that Russian action in placing missiles and bombers in Cuba threatens this continent and Central and South America. Indeed, the Soviet union by its action has reached out across the Atlantic to challenge the right of free men to live in peace in this hemisphere.

I think Canadians are in general agreement that these offensive weapons, located so contiguously to our continent are a direct and immediate menace to Canada. Furthermore, they are a serious menace to the deterrent strategic strength of the whole western alliance on which our security is founded. The result is that a threat is posed not only to this continent but to the NATO alliance as a whole, and indeed to all the free world, whose security depends to such an extent upon the strategic strength of the United States.

The United States government, as I have said on an earlier occasion, informed us of the facts of the situation and of the course of action proposed to be taken some few hours before President Kennedy made his announcement.

The government commenced immediately to consider the measures that the Canadian government and Canadian forces should take in order to be ready to deal with whatever eventualities would arise from this action. So that the attitude of the government will be clearly understood—and again I am asking for the support of the house as a whole in this connection—we intend to support the United States and our other allies in this situation.

It is a serious one. It has been necessary and will always remain necessary to weigh the risks both of action and inaction in such circumstances. I need not refer to the record of Canada in two world wars, in the NATO alliance and in Korea as demonstrating the fact that Canadians stand by their allies and their undertakings, and we intend in the present crisis to do the same. On the other hand, we shall not fail to do everything possible to seek solutions to these problems without war. We shall seek to avoid provocative action. Our purpose will be to do everything to reduce tension.

I think I should summarize some of the principal actions which have been taken by the government to date to deal with the question. The first, which was referred to by the Secretary of State for External Affairs, was to exercise a control over Soviet bloc aircraft bound for Cuba. He has explained these measures to the house in some detail; I would add simply that commencing even before the president's speech we had acted to ensure that Canadian air space and Canadian air transport facilities were not being used to carry arms to the Soviet bases in Cuba.

Second, all Canadian military forces have taken necessary precautionary measures to improve their readiness to meet any serious developments. The Canadian component of the NORAD forces has been placed upon the same level of readiness as the United States forces under NORAD operational control. Furthermore, as was stated by the Minister of National Defence, we have deferred any further movement of dependants of armed services personnel overseas. We have held up the authorization of any long leave for armed services personnel. The government today approved the measures which the forces would have to take in the event that the present crisis led to a more serious situation. Our civilian departments have been instructed as a matter of urgency to bring up to date the measures which they would need to take in any emergency. They are doing so. The ministers and key civilian officials have been asked to remain available during this period of crisis.

On other occasions I have informed the house of preparations for carrying on government should the worst occur. These preparations cover not only the public service but also provincial governments and municipalities which we have been financing and assisting with information and advice. I do not think I should go any further into detail in dealing with the measures which we have taken or would be prepared to take should circumstances require us to do so.

I wish the house and the Canadian people to know that the government has taken such precautions as are necessary at this stage to co-operate with our allies, and to be prepared for contingencies that might arise. As I said a moment ago, the government is seeking to find means by which the dangerous, threatening situation can be settled without recourse to arms. On the other hand, we recognize the fact that the free world as a whole cannot afford to permit its essential security to be endangered by offensive weapons mounted on bases adjacent to North America. As the Secretary of State for External Affairs said last evening during the course of his interview on the television facilities of the nation, we shall continue to do everything we can to avert the dangers to which we are exposed.

As far as the last twenty four hours are concerned, the main facts are well known to members of the house. Some Soviet ships have altered course away from Cuba. One Soviet tanker, after having been intercepted by a United States naval ship, was allowed to proceed on its way since it had been satisfactorily established that the cargo was petroleum.

I think we may take encouragement from the restraint being exercised at the moment. However, it would be dangerously premature to assume that the critical phase of the current situation has passed. There are two pressing needs to be met, namely not only to avoid conflict but to find a peaceful solution to this new Soviet challenge.

I think members of the house are in agreement that the greatest hope of finding such a solution lies in the United Nations. The acting secretary general is to be commended for the speed with which he has acted to discharge the heavy responsibility he bears as the executive head of the U.N. His proposal for a standstill is designed to gain the time that is so urgently needed while the search goes forward for some formula which will provide an acceptable solution. His offer of his personal good offices is in the best tradition of his predecessors in that office.

Meanwhile the security council is to meet again at four o'clock. There the formal discussions will be resumed. Perhaps by that time the replies of President Kennedy and Chairman Khrushchev will have been received.

There is a debate going on throughout the world regarding the legality of the quarantine measures which the United States has imposed. To my mind such arguments are largely sterile and irrelevant. We have a situation to face. Legalistic arguments, whatever they may be, cannot erase the fact that the Soviet union has posed a new and immediate threat to the security not only of the United States but of Canada as well.

Chairman Khrushchev's apologists say "What is the difference between Soviet missile bases in Cuba and United States bases on the periphery of the Soviet union?" The United States bases abroad have been installed only in response to the threatening pressures from the Soviet union, and have never been concealed from the public. The west, moreover, has refrained in recent years from any move to upset the world balance. There are countries in all parts of the world in which nuclear weapons could have been installed by the west. A deliberate decision was made not to do so. We in Canada have shown responsibility in this connection in order to avoid the proliferation of these dangerous weapons throughout the world. Sir, to compare the western activities with the provocative, clandestine arming of Cuba is to ignore the calculated restraint which has characterized western policy. In this light the call for the dismantling of these new, threatening facilities in Cuba is not unreasonable. It is the Soviet union itself which has disturbed the balance, and it is for it and Cuba to restore that balance.

The fact that we find ourselves in this dire situation may well have some salutary effect. Surely it is not too much to hope that some good will come out of the present dangerous situation. If these facilities were dismantled this would represent a first practical step on the road to disarmament, and if some such suggestion as I made a few days ago were coupled with international inspection of the process then we might well find ourselves taking the first steps away from the dangerous abyss that we have faced for so long in the world.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I think all members of the house will have welcomed the statement made by the Prime Minister in informing the house of developments in this very serious situation. It is not an exaggeration to say that it is more than serious, it is grave. While the gravity of the situation has certainly not increased in the last 24 hours, nevertheless the threat to peace remains and will remain until we can be satisfied that steps have been taken to remove the threat with which we are now confronted.

That threat, as the Prime Minister has pointed out, is in the extension of nuclear bases from those countries which now, unfortunately, have them to a country which has not had such a base, a country which this time happens to be in the western hemisphere. This constitutes an immediate threat to the peace and security of the hemisphere, especially in view of the circumstances under which these bases in Cuba are being constructed.

This extension, Mr. Speaker, has important implications going beyond this immediate emergency, implications which are important in the formulation of our own policy for defence, and implications which underline the importance of all countries, which do not now possess nuclear weapons doing what they can to prevent their extension. Perhaps this can be done by these countries at the United Nations agreeing on a self denying ordinance to prevent such extension. However, there is no chance as I see it, of lessening tension generally in respect of this and related matters, easing tensions in the cold war itself, until we can remove this immediate threat to peace which has been provided by the extension of nuclear bases to Cuba.

The vital question, therefore, as has been pointed out by the Prime Minister is, are these bases being constructed? Are they a threat to security and peace? Are they under Soviet control? I think the evidence shows, without any possibility of doubt, that the answer to all these questions must be in the affirmative.

This is a new development and it is a new danger. It is a danger of which the President of the United States warned us on September 4 and again on September 13, when he said, on September 4, that there was no evidence of Soviet military bases in Cuba or the presence of offensive ground to ground missiles. Then, and perhaps we did not attach as much importance to these words at the time as we should have, he went on to say "were it otherwise the gravest issues would arise". Well, Mr. Speaker, they have arisen. So the President of the United States felt compelled to act in the interests of the security of his own country, and indeed the security of the hemisphere.

As I have already ventured to say we who are the closest neighbour and in some ways the closest friend of the United States, at this time of grave emergency and threat to peace

must support that action. But as I have already stated outside the house, we can, while supporting that action which is considered necessary in the interests of security in the face of this threat, be very grateful indeed that the United Nations has been called into session at this time and that the security council is already meeting. We can be grateful that at the United Nations, our world organization, they are working, talking and negotiating to solve this problem in a way which will remove it as a threat to peace.

I think we can be grateful, as we have had cause to be grateful in the past, that with all its weaknesses, with all its frustrations, with all its failures, the United Nations, the world organization, is in existence today, and stands between humanity and destruction. I think we can also be grateful that the United States, which is the world's most powerful state, has not hesitated to bring this matter before the United Nations so that its action and its conduct can be considered by the representatives of 109 nations and a decision can be reached in the world forum as to that action.

Mr. Speaker, it has been said that what is sauce for the goose is sauce for the gander. When we hear statements like that it is perhaps just as well to remember that in 1956, when the Soviet union attacked Hungary with fire, sword and terror, the Soviet union did not bring its action to the attention of the United Nations. As many hon. members of this house know, it rejected the right of the United Nations even to look into that action. So, Mr. Speaker, while we can be grateful indeed for the United Nations intervention in this matter, I think we can also be grateful for the action taken by the United States in bringing its action to the United Nations. I think we can support, as the United Kingdom has supported and in every appropriate way, the position of the United States at the United Nations.

As I have already said, that does not mean, in the minds of many people, that all the details of that action are to be approved without qualification. Many people, friends of the United States and anxious to support the United States, may question some of the arguments used and indeed some of the action taken. But while that may be true, that is not so important as the necessity of rallying round our neighbour and our friend as members of the North Atlantic alliance around a friend which is a free and democratic nation; where there is an open society, where people can make up their minds and public opinion can express itself; which has a society that is not imperialistic in design and is not imperialistic in action.

[Mr. Pearson.]

Mr. Speaker, I think it must be an encouragement to all of us that the position I suggest should be taken, to which the Prime Minister has already referred, is a position taken by every member of the organization of American states, a good many of whom have been critical of many aspects of United States policy in Latin America and indeed in Cuba. It is a comforting fact and it makes, I think, for peace and security, that the western hemisphere is united in the broad issue before the United Nations in this present threat to peace and security.

There is one other aspect of the question which the Prime Minister has mentioned. The United Nations has intervened. The secretary general, in a way which reminds us of the attitude adopted by his great predecessor, has intervened with wisdom and restraint and has put forward to the security council on behalf of, I think, 44 Asian and African members—a great number of Asian and African members—a proposal which may prevent the situation from deteriorating while a solution for the broad problems can be found.

Very often—and the history of the past world war has shown this—it takes this kind of crisis in order to find solutions which go beyond the crisis itself. So perhaps out of this danger and out of this threat we can find solutions to problems which it would have been impossible to find in other atmospheres. The secretary general has perhaps shown us how this can be done. He has indicated that the United Nations could intervene at this time through a resolution which is a kind of stand-still resolution, under which the United States would abandon its blockade and the U.S.S.R. would abandon the shipment of military supplies to Cuba for a period of time. During that period of time perhaps a solution can be found, not only to the immediate problem but to related and perhaps even more important problems.

This seems to me to be a very constructive and encouraging development. But I suggest that it would have far more chance of success if it could be supplemented by some proposal which would ensure that any obligation undertaken by those concerned would be carried out. The particular proposal indicates that there would be an obligation on the United States to abandon the blockade, which obligation could not be broken without it being known at once. It is almost a self-enforcing obligation. But the obligation on the other side, not to send military supplies to Cuba, is one that could be evaded unless there were facilities for control and inspection.

There is something therefore that the Canadian delegation, if the opportunity arises

at the United Nations, could do. There could be a supplementary proposal to set up immediately a United Nations naval inspection force to make sure that any obligation of this kind, undertaken with a view to giving time and opportunity for finding a solution to the basic problem, was carried out. While that is being done a United Nations naval inspection force could be brought into action to reassure people who might question whether the word of a Soviet government should be accepted, even in respect of an obligation of this kind. This would give the kind of reassurance which United Nations inspection and control has given in the past and which I think could be given in the future.

This is one possibility that might improve the situation, and I have no doubt there are others. It is good to know that the Canadian government in this situation is working, as it is working, to bring about a strengthening of peace and security, to remove the awful threat of war. It is good to know that the Canadian government is right behind our friend and neighbour, the United States, in this issue.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it is indeed reassuring to us in this house, as I believe it is also to all Canadian people and as it will be to the friends of peace across the world, to hear the Prime Minister speak in the terms he has just used. I think one of the basic prerequisites of peace in our time is that we realize and understand the obligation we have to our friends and neighbours. It is only as we stand together with those who hold the same ideals and cherish the same way of freedom that we have in this country that we can have any hope of standing against the onslaught of communism in our time.

There can be no compromise between right and wrong; let us understand that. Coexistence with communism, in the end, means submission. But the objective of submission held by the ideological forces which oppose us at this time is not to be gained through the use of force, even as a bully in a school yard attempts to gain his way by force over his school mates. It is to be gained through a neutralizing of resistance, through passiveness. I believe there is no intolerance so vicious and so strong in reaching its objective as the intolerance of neutrality. I am pleased to hear the leader of the government, the Prime Minister, speak as he has spoken in this regard. The brain washing technique reaches its objective through the neutralizing of resistance so far as the mental attitudes of its victims are concerned.

Let us remember that we are a nation. We are a sovereign nation, a nation that has every right to be proud of its heritage. We are a nation that today has its responsibility, a responsibility which will increase with every passing day in all the tomorrows. This does not mean hostility or an attitude of contentiousness toward those who are on the other side of the fence.

I believe we as Canadians have a great potential to take a quiet, determined stand on what we know is right, and for which the world today looks in its quest for peace. I am also sure we all agree that the efforts being put forward at present by the United Nations are most important. It is again reassuring to know that our delegation at the United Nations is doing everything within its power to further the action taken by the United Nations and the influence which the United Nations can have at this time.

In addition to the direct approach of the United Nations, which is now taking place, there is also a real opportunity for us to use our influence among those nations which may not be committed in the same way we are. Many of us individually probably have the opportunity to do this in what may seem to be little ways, but as a nation we have a great opportunity. Let us remember that the cost of friendship is friendliness, and friendliness is a force we must use at every opportunity.

It is also gratifying to note the unanimity that has been expressed through the organization of American states, and I suggest to the government that this is an ideal time for us to take our stand with our neighbours in this hemisphere and become a participating member in that organization. Certainly the first step could be taken in that regard by very determinedly making our own influence felt and moving in that direction now.

Let us just not say we are backing the United States and then sit down, pat ourselves on the back and think we have done something. We as Canadians have respect for our own sovereignty, and we support the United States as our friends and best neighbours. We do not do so as a vassal state or as a weak neighbour. We do it because we are Canadians, citizens of the sovereign state of Canada. Let us stand together in this house as Canadians. Let us stand together on our policy as Canadians, remembering that we do not have to bend ourselves to all the whims of those who are much more powerful than we are. Let us remember that we have an opportunity to give leadership at this time and, as the leader of the official opposition stated, perhaps it takes a crisis like this to bring out that leadership. Today the world is looking for leadership, leadership other than that

which is being given by the two great opposing forces in this world conflict. As Canadians we have an opportunity to give hope and leadership to many of the smaller nations that are not able to stand as we do today. Let us make sure we fulfill our obligation in that regard.

Let us also remember that in this chess game of international politics, where one nation is lined up against another on either side of the wall that divides us into two camps, we are not dealing just with nations that are represented by governments. We are dealing with governments that in themselves are representative of millions and millions of people, people like you and I, people who need to live and who want to live, people who look for peace as we do, and among them are the people on the other side of the fence. As we try to solve our problems and speak about these things, let us remember we are doing so on behalf of millions of people whose lives mean as much to them as do ours to us.

I was reminded of a statement the other day, which perhaps it is fitting to use here, and which says "It is better to be fed than red." In this context we have a chance to give leadership in our own hemisphere, a chance to reach out at this time to those nations that are not so fortunate as we are, and through our tremendous potential for good will and material wealth, provide those things which are necessary for people to live. Also it is to see what more we can do for our neighbours to draw them into that neighbourhood of nations which can do so much in the western hemisphere. Let us move on to assist many of the countries in Latin America which need assistance and which are looking for leadership.

In this crisis every red blooded Canadian understands that the issues are grave. Actually we are at war. We have not wanted to admit that down through the years, but the cold war we have been fighting during the last 12 years—indeed, since the end of world war I if we care to go back that far—is just as much a war and is just as grave as any war in which we have been involved. It is a war not necessarily fought with armed military might, but the forces used are just as decisive in the end.

Therefore in our struggle and our quest for peace we come back again to the issue which has been exemplified in the statement given us today by the Prime Minister. We must stand with our friends for what is right, and we must do everything possible to develop and further cultivate the peace which this world must have if it is to survive at all.

[Mr. Thompson.]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, since my statement on Monday evening last, which I made on behalf of this party, in which I briefly outlined our general approach to the Cuban crisis and emphasized our hopes, the members of this party have had an opportunity to obtain the facts, to obtain information, and to assess that information and those facts. Let me emphasize that members of this group come to their decisions with the knowledge of their responsibility to the Canadian people and their responsibility to the many millions of people referred to by the leader of the party opposite.

We had hoped to present our views to the house before now, particularly yesterday which we thought would have been a most appropriate opportunity, being United Nations day, to give a detailed exposition of our views with respect to this most unfortunate crisis. Nevertheless, Mr. Speaker, we welcome this opportunity to make a statement on the Cuban crisis in line with our long time over-all policy on external affairs.

Members of the house know the policy of this group with respect to disarmament, with respect to nuclear weapons, with respect to nuclear testing, and they know the confidence and faith which this group has expressed in the United Nations as the body to which all these problems should be directed.

I wish to emphasize that we seek no partisan advantage from this unfortunate crisis, but present our views and our proposals in the firm conviction that they are in the best interests of the Canadian people and will make a contribution toward the promotion of world peace.

Some people still cling to the fetish that Canadians must never rock the boat of United States foreign policy. With that point of view the members of this party differ sharply, and we consider it our duty and responsibility to suggest another course when we believe that the present one is likely to land us on the rocks of international suicide.

In our opinion, Mr. Speaker, the present course being pursued by the United States may result in a propaganda victory for Mr. Khrushchev and mark him as a peacemaker in the eyes of many nations in the world. I might direct your attention, Mr. Speaker, to the fact that even today's editorial in the *Globe and Mail* suggests this. If I may quote briefly from that editorial it says:

> He can pose as the peacemaker turning the other cheek to United States aggression.

Let me say, Mr. Speaker, that we agree with the remarks of the leader of the official opposition with respect to the tragic situation that occurred in Hungary. But also

let me say that two wrongs do not make a right. Let me emphasize, Mr. Speaker, that our party has always been opposed to unilateral action by any power. Therefore on that account we regret Soviet action in installing missile bases in Cuba, and we are very critical and unhappy about the fact that the United States government has decided upon a course of action which could easily lead to the most serious consequences without first bringing the whole matter of these missile bases to the attention of the United Nations.

Indeed, Mr. Speaker, it would seem to me from answers given by the Prime Minister to questions asked in this house that the government of our friendly and powerful neighbour decided on its course of action without consulting its nearest neighbour, Canada, or its NATO allies, but merely informed them of the action decided upon. I emphasize—and no one can properly contradict me—that this is a flagrant violation of the terms of the north Atlantic treaty. The President of the United States has ignored the consultative machinery of the North Atlantic Treaty Organization. Its members were not asked for their opinion or advice; they were simply and baldly told what the United States intended to do, and to that course of action in the present world situation we take the strongest exception.

The Cuban situation has, of course, highlighted two or three present international problems. It has served to underline the correctness of our policy in opposing the spread of nuclear weapons, and therefore opposing nuclear weapons on our soil or in the hands of Canadians elsewhere. It is abundantly clear that the security of Cuba has been seriously harmed by the installation of nuclear bases, and that the threat to peace has been immensely increased. This is precisely the result which the New Democratic party has foreseen would inevitably follow the spread of nuclear weapons, and this is why we have consistently and strongly opposed any further dispersal of nuclear arms on the part of anyone. The installation of Soviet bases on Cuban soil has also focused attention on the fact that there are United States bases, and those of other nations, in many lands across the world, bases which are considered an ever present threat by others—and we can understand that—as the bases in Cuba are considered to be on this continent.

Now, Mr. Speaker, in all seriousness we urge that the crisis which has been created in recent days should be used by all nations, including the U.S.S.R. and the United States, to grapple with the whole problem of military bases, and particularly nuclear ones, and to seek a policy of gradual dismantling of such bases everywhere as another step toward disarmament. The crisis in the Caribbean has served to take off the front pages of our newspapers the reports of fighting on the Indian-Chinese border, but we must recognize that that conflict is a part of the general unrest in the world today. It is another example of unilateral action by a nation, this time communist China, against a friendly neighbour. Unfortunately, however, Mr. Speaker, it is not possible to take the usual steps in the United Nations to condemn China's action in the Himalayas and demand a cessation of hostilities there, because the People's Republic of China has not been admitted to, and is not a member of, the United Nations. This is a matter which I think we have cause to regret at this time and will continue to regret under the developing circumstances of the world.

However, it is not enough merely to regret what has happened, from the point of view of the members of this party. We must find a way out; and my major purpose, Mr. Speaker, in rising on behalf of this group today is to make some positive proposals. There are some who say that the United Nations is helpless when conflicts occur between large powers. This party is not prepared to accept that, because there is no other road to peaceful settlement of international disputes except that provided by the machinery of the United Nations.

Therefore, Mr. Speaker, we propose that Canada should immediately seek support for a resolution to be presented at the security council and, if necessary, later to the assembly of the United Nations, under the terms of the special resolution respecting uniting for peace, that would look for the removal of the immediate threat to peace in the Caribbean so that time might be bought for necessary negotiations—and time is the essence of this very dangerous situation.

We claim, Mr. Speaker, that such a resolution should propose that the U.S.S.R. and the U.S.A. act immediately and simultaneously to turn Soviet ships away from the direction of Cuba and to remove the United States blockade from the Caribbean. If that is accepted it might be necessary to have some ships from other countries police the shipping lanes to make certain that the two big powers carried out their undertakings.

Mr. Speaker, the members of this group, and I may say many members in this house, were very pleased to see in the *Gazette* this morning the request by U Thant asking the U.S. and the U.S.S.R. hold up on Cuba, making a proposal somewhat similar to the one we are making today to which we gave consideration some days ago. Such a United

Nations resolution should also include a section which recognizes in the strongest terms the integrity of Cuba and seeks to remove any fears which Cubans have, and which we can understand, as a result of past actions.

In our party's view, some such concrete and positive step must be taken by the United Nations. The world organization has succeeded in limiting and in stopping local conflicts. It has done excellent work in that respect throughout the years when smaller nations were involved. It is now facing the supreme test as to whether it can be effective also when the two great powers are concerned. No one can believe, Mr. Speaker, that either the United States or the Soviet union would wilfully risk the destruction which would occur from a thermonuclear war. In this, in our opinion, lies the hope that energetic, prompt and constructive action by the smaller powers, such as Canada, through our government, and through the United Nations may not only save the world from the horrors which threaten it, but may also begin to lay the basis for a stronger world organization and for a lasting peace.

In conclusion, Mr. Speaker, let me say that if the Cuban crisis has done nothing else it has underlined in such a terrifying way the frightful peril in which mankind has stood ever since the invention of nuclear weapons, and that at long last the whole world, including the two great nuclear powers, must be convinced that war is an impossibility unless the human race is prepared to commit suicide. This grim and frightening occasion must be seized on now, while the terror is fresh in people's minds, as an opportunity to press forward with the dismantling of all missile bases throughout the world, which will mark the beginning of a permanent retreat from the awful abyss which opened up this week when the United States gambled with the lives of all of us in its struggle with the U.S.S.R.

HEALTH AND WELFARE

PROVISION FOR SAFETY OF PERSONS EMPLOYED IN FEDERAL WORKS, UNDERTAKINGS AND BUSINESSES

Hon. Michael Starr (Minister of Labour) moved for leave to introduce Bill No. C-70, to provide for the safety of persons employed in federal works, undertakings and businesses.

Mr. Knowles: Explain.

Mr. Starr: Mr. Speaker, the purpose of this bill is to promote the safety and well being of persons employed in works, undertakings and businesses within the federal jurisdiction.

[Mr. Herridge.]

It is aimed at reducing manpower loss, personal suffering and the substantial costs resulting from work accidents.

Motion agreed to and bill read the first time.

FORT RAE, N.W.T.—CONTAMINATION OF DRINKING WATER

On the orders of the day:

Mrs. Isabel J. Hardie (Northwest Territories): Mr. Speaker, I wish to direct a question to the Minister of Northern Affairs and National Resources, of which I have given him notice. My question is based on an editorial in the *News of the North* which deplores the tragic death of seven people of Fort Rae since June due to drinking contaminated water. Can the minister inform the house what steps the government is taking to provide sanitary protection to the people of this northern area?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I want to thank the hon. lady for giving me notice of her intention to ask this question. This has made it possible for me to get the necessary background information. The reports I have received indicate that an outbreak of dysentery occurred at Fort Rae this summer as a result of the drinking of contaminated water. As the hon. member knows, the provision of pure drinking water has been a serious problem in northern communities over the years. This is largely due to the presence of permafrost which brings about epidemic problems from time to time.

In the case of Fort Rae the outbreak was tackled immediately by the Department of National Health and Welfare and the territorial government. In addition to the medical measures, an educational program has been undertaken to impress upon residents of the settlement the danger of using local ground water supplies for drinking and cooking purposes, and also to instruct them in boiling and chlorinating—

Mr. Speaker: Order. With all due respect to the hon. member who asked the question and to the minister, having regard to the question that was raised and the length of the answer forthcoming I think it would have been better to put the question on the order paper.

LABOUR CONDITIONS

PROVISION FOR ORGANIZATION AND MAINTENANCE OF MANPOWER CONSULTATION SERVICE, ETC.

Hon. Michael Starr (Minister of Labour) moved that the house go into committee at the next sitting to consider the following

resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure respecting industrial change and manpower adjustment; to provide for the organization and maintenance of a manpower consultation service; to provide also for the payment of assessment incentives for carrying out manpower adjustment programs; to provide further for the entering into agreements providing for the payment by Canada respecting a labour mobility incentive; and to establish a council called the "Advisory council on industrial change and manpower adjustment" and to provide for the chairman's remuneration and for certain expenses of the members of the council.

Motion agreed to.

EXTERNAL AFFAIRS

NORAD—REFERENCE TO TELEVISION INTERVIEW BY EXTERNAL AFFAIRS MINISTER

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Secretary of State for External Affairs a question which arises out of the television interview to which he subjected himself last night over the Canadian Broadcasting Corporation television facilities. My question is this. Will the minister explain what he meant when he said that NORAD is not involved in this Cuban matter?

Hon. Howard C. Green (Secretary of State for External Affairs): I would hate to be obliged to explain to the hon. member for Essex East all the things I said last night. It would take more than 40 minutes to do so, and I do not intend to undertake that job today.

Mr. Chevrier: That is not the way in which to answer the question, certainly not under these circumstances.

Mr. Martin (Essex East): In view of the importance of this matter, Canada being the other member in NORAD, and having in mind what the Prime Minister said today about preparations being taken by NORAD, does the minister not think that he should explain to the house precisely what he meant by last night's statement?

Mr. Green: If the hon. member would read the rest of the part of the statement dealing with the subject he would find it explained that NORAD is part of the North Atlantic Treaty Organization itself and that NATO was not directly involved in this trouble in the Caribbean.

Mr. Martin (Essex East): In view of the importance of this matter may I ask the minister what he meant by saying that NATO was not directly involved and that NORAD was not at the moment involved. I ask this in view of the statement made today by the Prime Minister and by the President of the United States wherein a contrary view was expressed.

Mr. Green: NORAD is a defence set up against air attack.

Mr. Martin (Essex East): NORAD carries on other activities.

Mr. Green: I suggest that the statement I made last night was in accordance with the facts.

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of National Defence in order to clarify the statement of the Prime Minister to the effect that Canadian elements of NORAD are now at the same stage of readiness as the United States elements. Does this mean that the Bomarc squadrons have been armed, or was the Prime Minister's statement just an exercise in words?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I think the hon. member on reflection will feel that perhaps he should not have phrased his question in that way. The two Bomarc squadrons, one of which at La Macaza is not yet completed, have not been armed with nuclear weapons, if that is the answer he is looking for.

CANADIAN SUPPORT FOR APPEAL OF U.N. SECRETARY GENERAL

On the orders of the day:

Mr. Andrew Brewin (Greenwood): I should like to address a question to the Prime Minister. In doing so may I say it is possible that I missed a point mentioned in his statement to the house this afternoon. My question is this. Has the government instructed the Canadian delegation to the United Nations to communicate to the acting secretary general its support of his urgent appeal for a 14 day freeze during which all Soviet ships bound for Cuba would be halted by Premier Khrushchev, and President Kennedy would suspend the United States blockade of Cuba?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I suggest that the question be directed to the Secretary of State for External Affairs.

Mr. Brewin: I should be glad to redirect the question, Mr. Speaker.

Mr. Starr: Read it again.

Mr. Brewin: Has the government instructed the Canadian delegation to the United Nations to communicate to the acting secretary general its support of his urgent appeal for a 14 day freeze during which all Soviet ships

bound for Cuba would be halted by Premier Khrushchev, and President Kennedy would suspend the United States blockade of Cuba?

Hon. Howard C. Green (Secretary of State for External Affairs): No, Mr. Speaker. This proposal by the acting secretary general is still under consideration by the government.

Mr. Brewin: I have a supplementary question. Will the Secretary of State for External Affairs assure the house that consideration will be given to this matter?

Mr. Speaker: Order. I think the minister answered that the matter is receiving consideration.

Mr. Brewin: Thank you, Mr. Speaker.

(Translation):

FINANCE

QUEBEC—PAYMENT OF TAX BY POWER COMPANIES

On the orders of the day:

Mr. Real Caouette (Villeneuve): Mr. Speaker, I should like to direct a question to the Minister of Finance. Could the minister tell us whether it is true that, in several provinces, especially in the province of Quebec, the taxation system concerning private power companies and publicly-owned corporations is such that some consumers have to pay more taxes than others?

An hon. Member: Some calves have lost their mother.

Mr. Speaker: I am afraid the question is improper since the hon. member is expressing an opinion. After giving the matter some consideration, he might want to correct it or have it inserted on the order paper.

(Text):

I recognize the hon. member for Greenwood.

(Translation):

Mr. Caouette: A supplementary question, please.

Mr. Speaker: I regret to inform the hon. member that since his question was out of order, no supplementary question is admissible.

Mr. Caouette: Mr. Speaker, I rise on a point of order.

An hon. Member: There are no standing orders for him.

Mr. Caouette: I rise on a point of order. The minister knows full well what I am talking about.

(Text):

Mr. Lewis: I rise on a point of order, Mr. Speaker. You recognized the hon. member for Greenwood.

[Mr. Brewin.]

Mr. Speaker: At the moment three persons are on their feet, and the Speaker has the floor.

(Translation):

I point out to the hon. member that he cannot ask a supplementary question when the first one has not been answered. As his first question was out of order, he is not allowed a supplementary question.

I have recognized the hon. member for Greenwood. If the hon. member has a question to ask later on, he shall be able to do so if it is in order.

Mr. Caouette: Then I shall put my question differently. Can the Minister of Finance tell us whether the government intends to abolish, once and for all, this ridiculous tax which is a burden for power companies in the province of Quebec?

(Text):

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, this is obviously a taxation matter, and one for a budget. I am very happy that I do not have to bring in a budget at the moment because I might be accused of intervening in a provincial election in a certain province of Canada. When the time comes to bring in the budget this matter will be given careful attention.

(Translation):

Mr. Gregoire: A supplementary question, Mr. Speaker. Does the Minister of Finance not think that it will be too late to consider this matter when power companies are nationalized?

Mr. Speaker: Order. I think that the hon. member is asking the minister for an opinion, which is out of order.

(Text):

FREE ENTRY OF AUTOMOBILE AUTOMATIC TRANSMISSIONS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of Finance if the questions I asked the other day on the order paper regarding automatic transmissions can be answered today or at the latest by the end of the week because, as he knows, the order in council providing for the free entry of these automatic transmissions terminates at the end of this month.

Hon. George C. Nowlan (Minister of Finance): Mr. Speaker, long experience in this house has indicated that no one has any control over the hon. member for Essex East with respect to the questions he may ask, and far be it from me to suggest that I could. In any event, as he says, on October 31 either action will be taken with respect to renewing

the order in council or it will not be taken, and the house will then know what the situation is.

CIVIL DEFENCE

INQUIRY AS TO CONSTRUCTION OF PUBLIC FALL-OUT SHELTERS

On the orders of the day:

Mr. S. P. Ryan (Spadina): Mr. Speaker, I should like to direct a question to the Prime Minister. Having regard to the present international crisis, is the government planning the building of public fall-out shelters in this country?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the government's stand in connection with fall-out shelters and the like was fully set out during the discussion last session. There has been no change in viewpoint in the meantime.

[*Later:*]

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence or to the Prime Minister. Has a communication been received from the chairman of the metropolitan Toronto emergency measures organization regarding confusion as to what to do about civil defence? Can the emergency measures organization here supply a set of clear instructions for the benefit of the many callers who are simply told "Keep calm"?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I have no knowledge of any such communication and I do not think there is any basis for the allegations that have been made as to a state of confusion.

TELEVISION

POWELL RIVER, B.C.—REPORTED INABILITY TO RECEIVE BROADCASTS

On the orders of the day:

Mr. Jack Davis (Coast-Capilano): Mr. Speaker, I should like to direct a question to the Minister of Transport of which I have already given him notice. As all the equipment and personnel are available, can the minister please tell the house why it is still impossible for 15,000 residents in the Powell River area to receive television programs broadcast over channel 8 in Vancouver, B.C.?

Mr. Speaker: Order. This is a question that should be on the order paper.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

REPORTED REDUCTION IN TRANSCONTINENTAL SERVICE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Transport a question. It relates to a number of questions that have been asked over the past month with regard to the cancellation of certain C.N.R. trains when the time card changes take place this week end. Because of the time card changes being so close I should like to ask the minister whether he has had any indication at all that the C.N.R. has reconsidered these major changes, particularly with regard to trains Nos. 3 and 4, with a view to cancelling or postponing the changes?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, from time to time I have received representations from different associations and different persons on the matter of various changes all across Canada in the timetable of the crown company. All these requests have been passed along to the management of the C.N.R., which I am assured has considered all these matters very carefully. I have had an opportunity to discuss the matter with the president of the C.N.R., and I can assure the house that whenever a decision has been taken in this direction it has always been taken after very complete consideration of the particular case. With respect to abandonment of service and abandonment of stations, this matter is under the authority of the board of transport commissioners.

Mr. Fisher: A supplementary question. Can the minister tell whether the C.N.R. is going to go ahead with the cancellation of trains Nos. 3 and 4, particularly between Saskatchewan and Winnipeg?

Mr. Balcer: I will have to find out exactly.

(Translation):

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO TELEVISION PROGRAM "COMMENTARIES"

On the orders of the day:

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I wish to put a question to the Secretary of State. Would he tell the house if he intends to investigate the program called "Commentaires", that the C.B.C. French network broadcast in relation to the events that took place in Cuba recently, in which opinions expressed were often at variance with opinions heard in this house?

Income Tax Act

(Text):

TRADE

CUBA—INQUIRY AS TO CHANGE OF POLICY

On the orders of the day:

Mr. E. T. Asselin (Notre Dame de Grace): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. In the light of the Prime Minister's statement today can the minister say whether his department has taken any special measures with regard to the shipment of materials to Cuba?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I feel sure that the hon. member and other members of the house know that shipments to Cuba are made in strict conformity with the strategic list as decided upon by the NATO nations, and no strategic materials of any kind are permitted to be shipped to Cuba.

WAYS AND MEANS

The house in committee of ways and means, Mr. Chown in the chair.

INCOME TAX ACT

Resolved,—that it is expedient to introduce a measure to amend the Income Tax Act to provide among other things:

1. That for the 1962 and subsequent taxation years the amount deductible in computing taxable income in respect of a child qualified for family allowance be increased to $300 and the amount deductible in respect of other dependants be increased to $550 each.

2. That with respect to income earned after March 31, 1962 a corporation whose principal business is manufacturing or processing (not including a corporation whose principal business is shipbuilding, mining, logging or the operation of oil or gas wells) be allowed to deduct from its tax otherwise payable an amount equal to 50 per cent of the tax on the first $50,000, of its taxable income attributable to increased sales and an amount equal to 25 per cent of the tax on the remainder of its taxable income so attributable.

3. That with respect to its first taxation year ending after April 10, 1962 and the next succeeding four taxation years a corporation be permitted to deduct in computing income 150 per cent of the amount by which expenditures of a current and capital nature on scientific research in Canada incurred by it in the year exceed expenditures of a current and capital nature on scientific research in Canada incurred by it in its last taxation year ending on or before April 10, 1962.

4. That for the 1962 to 1966 taxation years both inclusive the deduction from tax allowed to corporations in respect of taxable income earned in a province be increased from 9 per cent to 10 per cent in a prescribed province in which arrangements exist for the replacement of federal grants to universities by additional provincial grants in accordance with the proposed amendments to the Federal-Provincial Fiscal Arrangements Act.

5. That with respect to taxation years commencing in 1962 a taxpayer be allowed a deduction from tax of an amount equal to the lesser of two-thirds of the amount payable for the year to a province as a tax on income from logging operations or $\frac{2}{3}$ of 10 per cent of the taxpayer's income from logging operations in the province, and the right to deduct in computing income amounts paid to a province as tax on income from logging operations be repealed.

6. That with respect to expenses incurred after April 10, 1962 any corporation be allowed to deduct in computing income the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by it on or in respect of exploring or drilling for petroleum or natural gas in Canada and the prospecting, exploration and development expenses incurred by it in searching for minerals in Canada not exceeding its income for the year from oil or gas wells in Canada.

7. That with respect to expenses incurred after April 10, 1962 an individual be allowed to deduct in computing income the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by him on or in respect of exploring or drilling for petroleum or natural gas in Canada not exceeding his income for the year from oil or gas wells in Canada.

8. That with respect to acquisitions after April 10, 1962 amounts paid by

(a) a corporation whose principal business is production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for petroleum or natural gas, or mining or exploring for minerals,

(b) an association, partnership or syndicate formed for the purpose of exploring or drilling for petroleum or natural gas,

(c) a corporation (other than a corporation that qualifies under (a)), or

(d) an individual for a right, licence or privilege to explore for, drill, or take petroleum or natural gas in Canada shall be classed as drilling or exploration expenses for purposes of computing deductions from income.

9. That with respect to sales of property acquired after April 10, 1962 there shall be included in the income of a taxpayer any amount received as consideration for the disposition of a right, licence or privilege to explore for, drill for or take petroleum or natural gas except where the right, licence or privilege was acquired by inheritance or bequest.

10. That the right of a successor corporation to deduct drilling, exploration, prospecting and development expenses incurred by a predecessor corporation from the income of the successor corporation attributable to the production of petroleum or natural gas from wells, or the production of minerals from mines, situated on property acquired from the predecessor corporation shall not be lost by reason of the fact that the successor corporation assumed liabilities of the predecessor corporation.

11. That a joint exploration corporation may renounce an appropriate share of the drilling, exploration, prospecting and development expenses incurred by it after 1956 in searching for oil, gas or minerals in Canada in favour of a shareholder corporation whose principal business is

(a) production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for pretroleum or natural gas,

(b) mining or exploring for minerals,

(c) processing mineral ores for the purpose of recovering metals therefrom,

(d) a combination of

(i) processing mineral ores for the purpose of recovering metals therefrom, and

(ii) processing metals recovered from the ores so processed, or

(e) fabricating metals,

and in such case the expenses renounced shall be deductible by the shareholder corporation and not by the joint exploration corporation.

12. That the right of a successor corporation to deduct drilling, exploration, prospecting and development expenses incurred by a predecessor corporation from the income of the successor corporation attributable to the production of petroleum or

natural gas from wells, or the production of minerals from mines, situated on property acquired from the predecessor corporation be extended to a second successor corporation which has acquired the property from a predecessor corporation which was itself a successor corporation.

13. That for the 1962 and subsequent taxation years income earned in Canada by a non-resident corporation whose principal business is mining iron ore in Canada, be exempt from the additional 15 per cent tax imposed by Part IIIA on profits earned in Canada by non-resident corporations.

14. That where an employee who is a member of one deferred profit sharing plan becomes a member of another deferred profit sharing plan the amount to his credit in the first mentioned plan may be transferred to his credit in the second mentioned plan without attracting tax on the amount so transferred.

15. That the amount to the credit of an annuitant under a registered retirement savings plan may be transferred at any time before the maturity of the plan to another registered retirement savings plan or to a registered pension fund or plan without attracting tax on the amount so transferred.

(Translation):

Mr. Ouellet: Mr. Chairman, when the house rose last evening, I was saying that the economic and financial position of Canada was alarming. I have no intention of repeating here what I said yesterday.

However, there is one thing I have noted, and it is the fact that we have spent so much for others that, unfortunately, we have even forgotten to keep a little change to buy a flag, a symbol we cannot even claim for our country.

I also referred very briefly yesterday to a matter which concerns the eastern townships, and more particularly my constituency, that is the textile industry.

I have here a report issued by the Canadian Apparel and Textile Manufacturers' Association, and there is every reason to believe that the figures given in this report are accurate. This report indicates that we are suffering from too many and too massive imports from Japan. In fact, Canadian imports of Japanese textile products amount to $1.83 per capita, while they amount to only $1.18 and 25 cents per capita respectively in the United States and in the United Kingdom. Our Japanese imports are undoubtedly creating an alarming situation.

In fact, here is what the Canadian Apparel and Textile Manufacturers' Association stated in its October, 1962 bulletin:

Exports of Japanese clothing to Canada are unfairly concentrated on a few articles. In 1961, Japanese exports were so numerous that they amounted to one imported shirt against four shirts made in Canada, one blouse against five made here, and one bedcover against two Canadian made. It would not be realistic for the Japanese to hope to increase their exports to Canada when their hold on those markets is already too strong.

If this question of imports was considered more thoroughly and rationally, we could create 10,000 additional jobs, thus enabling 10,000 Canadians to work in the textile industry.

That leads me to repeat what I said yesterday in this house: in the last ten years, the Canadian Celanese and the Dominion Textile companies have laid off from 5,000 to 6,000 employees in the city of Drummondville alone. It must be recognized that this cannot go on and that the government must take steps to provide this industry with a more adequate protection in the interest of Canadian citizens generally, and especially those in my riding.

I trust that the government will give serious consideration to my remarks and that it will protect our textile production, so that the Canadian citizens working in this industry, including the manufacturers, can be in a really good economical situation in Canada, and especially in my own riding of Drummond-Arthabaska and in the eastern townships.

Mr. Chairman, somebody said yesterday that the government could not borrow from the Bank of Canada. Yet last April, while waiting for the revenue from the personal and corporation income tax, the government borrowed more than $25 million from the Bank of Canada. Consequently, if it has been able to borrow $25 million at a certain point, it should have borrowed $1,050 million from the Bank of Canada instead of getting it from the international monetary fund, at a rate of 6 per cent. This loan could have been made through the Bank of Canada. Thus we would have been able at least to pay interest to Canadians besides availing ourselves of a much lower interest rate.

I think that system will have to be adopted in order to restore the financial situation of Canada.

An hon. Member: Upset the government.

Mr. Ouellet: Upset the government? My hon. friend is not serious and those who were there before him were not much better. But those I disapprove are the hon. members opposite because we have problems today—

An hon. Member: Keep both.

Another hon. Member: Not much hope.

Mr. Ouellet: Not much hope? Leave it to us and when the time comes, you will not have to worry. I shall tell them myself and I do not want to be your spokesman.

An hon. Member: Tell them what an actor you are.

Mr. Ouellet: Gentlemen, you can tell the members opposite what you have to say about the government. The charges I made yesterday against the government as well as against the official opposition should be enough to prevent anybody from calling me a Conservative or a Liberal. I hope that answers your question.

Mr. Denis: We have a bad government, so we keep it.

Mr. Ouellet: Our economic conditions are ridiculous. In this house, I heard some hon. members saying we have to promote education, train engineers or, to sum up, have experts in all possible fields.

If my information is correct, last year, 5,500 Canadian graduates had to leave the country to earn a living. I find this to be a very sad exodus considering the wealth of our country, a country where there is so much to develop and which would need the skills of those young people whose education cost their parents a fortune and who must now go and offer their services to countries against which we have to compete in the field of trade and industry. Those countries are not to blame. Each one looks after its own interest. That is why, yesterday, I told the house that Canada was not protecting the interest of Canadians.

Willingly or not—I am not casting reflections on any one in particular—all together, we will have to put our shoulders to the wheel, regardless of parties, races, languages or creeds.

I repeat, we will all have to think as Canadians, to be Canadians once and for all, across the country, and to put all Canadians on an equal footing.

Mr. Chairman, a while ago, the Cuban crisis was touched upon lightly. The Prime Minister (Mr. Diefenbaker) referred to it in his speech. I am not qualified to deal with it—

(Text):

The Chairman: Order; I am sorry to interrupt the hon. member but his time has expired.

(Translation):

Mr. Ouellet: Thank you.

(Text):

Mr. Smith (Calgary South): Mr. Chairman, this being the first opportunity I have had of speaking in the house this session, my first and most pleasant duty of course is to congratulate you, sir, on your very senior position, and of course to extend similar congratulations to the Speaker of the house. I note with some pride that in this august body the two senior officers of the house are western Canadians. Also, I think we might also observe that three of the four party leaders are western Canadians. We take some pride in this fact. I also congratulate an old friend, the Minister of Finance, on assuming his new portfolio. I realize that for some years now he has had more than a casual association with this post as the gentleman responsible for enacting the legislation of his predecessor. I know, too, that when the announcement of his position was made throughout Canada it was universally accepted as one of the best appointments made in a great many years.

I want to talk, basically, about the resolutions which we are shortly going to consider. Perhaps I will be excused if I make special reference to those dealing with the oil and gas industry, because I think, of the 15 resolutions, seven concern themselves with problems related to the development of our petroleum resources. Before doing this, however, I should like to draw the attention of the committee to the nature of these resolutions. They are basically designed to provide incentive to our development industries, to create new jobs, new production, new opportunities for Canadians. It seems to me that this is particularly significant and, I suggest, important, because in a day and age when a great many of us—in my view, too many of us—are looking to the state for a handout or for a particular support program, without return to the state, or for the establishment of some new social legislation, Canadians are bound to ask us how or when do we intend to repay the debt that is involved in each of these measures.

I know it is said, as a rule of thumb, I think, that for every 1 per cent increase in gross national production there is a return of revenue to the extent of $100 million. The figure is not important. The fact is that if we build into our legislative system a series of grants or a series of social measures to the extent that they call upon the treasury to produce vast amounts of money, unless there is some check in the future it is my belief that we will end up as a nation whose people do little more than collect taxes from one another as an occupation.

Therefore I am happy to see this series of resolutions is designed to do two things. First of all, it is designed to provide encouragement for the development of one of our major industries; in fact, Canada's major mineral industry; second, to encourage Canadians to participate in its development. This house knows, of course, that this is not the first occasion we have turned our attention to the problems of the oil and gas industry. The history in five years is almost unbelievable.

First of all we established the Borden commission to make a review of the problems so that we could direct policy in recent years. Following the commission there was the establishment of the national energy board. This was the first time the industry could come before the government in a public forum to discuss its problems.

We then established the territories regulations, known as the Canadian oil and gas regulations, encouraging Canadians as never before to participate in their national resources. Following this was the highly successful national oil policy, a policy which has increased production for this year alone by more than 16 per cent. The processing of some 11 gas applications followed, and even the Department of Trade and Commerce, which one would not normally think would be in the field of research publications, has developed and assisted the industry, in providing a survey of its requirements in terms under which Canadians could determine the extent of oil field equipment that could be made in Canada.

I repeat this history because we are inclined to forget the extent to which this government has gone to assist one industry, and by so doing, recognizes the importance of this industry to the economy of Canada.

I have said, Mr. Chairman, that we have been successful over these four years. Perhaps I might put on the record certain references or statistics, as much as I dislike them, which justify this enthusiasm. As an example, in the field of gas export; in fact, in almost every field from gas export to petroleum production the percentages and volumes have surpassed even the enthusiasm of many of the people who developed the policy. Starting with gas, we have from the 293 billion cubic feet produced in 1957 increased this year to something over 735 billion cubic feet. Expressed another way, though—and this is what I suggest is relevant—crude oil and natural gas minerals in 1961 showed a 20 per cent increase; natural gas alone, something like 23 per cent. It will be considerably higher this year, of course.

The advent of new pipe line construction brought revenue up about 20 per cent; dollar value of oil exports, 62 per cent and gas exports, about 92 per cent. I think these figures clearly illustrate the nature of the policy of trying to encourage the development of this industry. The result, of course, has been exhibited in those figures. They show the success of the policy, one which certainly has merited this success.

Mr. Chairman, I want to talk about the resolutions themselves and to say a word to the minister, because I think he will agree with me that we must not be satisfied that we have in any way settled the long term problem which will continue to confront the petroleum industry. First of all, the resolutions are designed in the first part to broaden the activity of Canadians by permitting those whose primary business is not concerned with the petroleum industry to write off certain costs against income; second, to permit people to write off acquisition costs and production costs. In other words, these are incentives to encourage people to come into the industry in a substantial way.

I know a great many people will think these are indeed generous terms, but it must be remembered that when you calculate generosity it has to be measured in terms of the risk involved. Anyone who has been associated with petroleum development knows that a single well may cost $1 million or more to drill, and that if unsuccessful, the return is purely the bits and pieces of equipment you can pick up. One can then understand the necessity for providing incentives. Yet we have found this industry, in the last few years, suffering hardships even in face of the prosperity I have mentioned. We have even seen a great many small, independent companies being absorbed by major companies. In fact, in the last 18 months ten of these smaller companies, Canadian operations well known in the foothills of Alberta, have been absorbed by foreign corporations.

Mr. Chairman, I want to examine briefly why this has happened and suggest to the minister the sort of action that should be taken to preserve the opportunities still further for Canadians. Second, I wish to conclude on a note as to future policy, an extension of the present oil policy. I do not think we need be alarmed by the fact that we have lost some ten independent companies, so long as we recognize how this occurred. I do not think we should ask any government or any company to maintain a purely Canadian identity of any corporation based on pure sentimentality. It just does not make sense. It is a very nice thing for the Canadian ego to say we have "x" number of Canadian companies competing in the Canadian oil industry, but unless we are prepared to support them by some measures such as these resolutions, such a statement is meaningless.

We have lost some ten Canadian companies by the very nature of the fact that oil in the ground today has a greater value than it has had at any other time. While we are producing more oil, and the figures have indicated this as a result of the national oil policy, it is equally true that the rate of discovery of oilfields is alarmingly lower, for in the last two years no major oilfields have been found.

These resolutions introduced by the minister are designed to encourage and speed up exploration so that we can return to a more proper ratio between reserves and production.

When we look at the Canadian companies which have gone, and which we hope will be replaced by others, we must ask ourselves if there is any other reason why they have disappeared. The second reason is that, with the success of new cash from the sale of gas and increased oil production, it is quite apparent that they become more attractive investments to major companies. This too has been a major factor in major companies buying out small independents. In addition it has been just good business. When a shareholder of a Canadian company can be offered double or triple the value for his shares or equity, then naturally he is prepared to sell them.

What then can we do to correct this trend? First of all, I think we should not be concerned about those companies which have been absorbed. A great many of them have been integrated into foreign companies, and, for the first time, Canadians are being offered an opportunity to participate in their world wide, international operations, through share purchases on Canadian exchanges. This too, I suggest, has been at the persuasion and with the enthusiastic support of the present government. Second, many of these companies have completely integrated their Canadian counterparts into their own operations so that there has been no loss to Canadian employment in this respect.

I believe that if we are to encourage further opportunities for Canadian companies to compete, we must judge the present resolutions to see that we have actually broadened the basis upon which Canadians can participate in the development of Canadian oil, and upon which new Canadian companies will be formed. I believe this is the key resolution. The only suggestion I make to the minister is that after the operation of the resolution for a year he might consider whether or not it would be beneficial to extend that right of write-off against all the operation of their principle business and not merely provide for a write-off for those oil companies in which they are participating. I would suggest that if this were done it would encourage more Canadians, with their investment capital, to go further into the development of the petroleum industry.

All of us recognize that in losing some of our independent companies we have also lost identity with a great many of those pioneers who, for so long, were responsible for the development of the gas and oil industries in Canada. It is true that while they may not have developed the majority of the fields that have been in existence for some time, they have nevertheless been responsible for more than their share in the discovery of oil fields, because an independent company cannot sit on oil reserves. It must have continuing reserves and therefore must go out and wildcat and make new discoveries.

It is an advantage to this government, and to the Canadian people as a whole, to encourage Canadian independence under any circumstances. It not only has the advantage of employing more Canadian people but it provides Canadian investment capital to underwrite industry, and as has been their job in past years, to find what is so urgently required today, and that is the discovery of a major oil field.

I believe the resolutions are designed with this object in mind, to provide incentive and encouragement, because they are providing risk capital with the opportunity of writing off that risk against income. I say to the minister that this is one of the first positive steps made in many years designed to assist where assistance is required most, in the making available of new capital.

Now, may I say a word or two about the national oil policy? I read with interest the comments of one of the distinguished hon. members opposite who spoke on this subject. He discussed the importance and the necessity of taking some action either in finding new markets for Canadian oil in Canada, or in increasing our exports abroad. I cannot disagree with his sentiment but I wish to say one or two things about it.

The hon. member for Davenport had this to say:

> Steps should be taken to bring our imports and exports of oil and petroleum products into balance.

This is a good, safe statement and no one can argue with it. He also said:

> I know that some progress has been made in this direction, but a great deal more should be done, and it should be done quickly.

I would also agree with him that a great deal more can be done, but it is interesting to note one of the comparisons he made. He said:

> In 1961, last year, our imports of crude oil and petroleum products exceeded our exports by some $137 million and if natural gas is included in the calculations, and I do not believe it should, our adverse balance still exceeded $100 million.

These figures, of course, are correct, but it is interesting to note that this is still less than a third of the figure of two years ago, so that we have made considerable progress and are continuing to make more.

Let us look and examine his statement still further. He suggests:

> Either we should increase our exports very considerably or we should take another serious, hard look at the case for an all-Canadian oil pipe line from Alberta to Ontario and Quebec.

May I reiterate the steps which we have taken by way of legislation, and remind the committee that this was the same problem which confronted the Borden commission, and which was discussed at some length on the introduction of the National Energy Board Act?

At that time it was decided that the best way to increase Canadian production, with the least interference by government, was to try to encourage the oil industry to work out its own problems. The companies were called together with a view to discussing which course we should take, and how certain minimum production figures could be reached.

I complimented the government earlier in that their target for 1961 was easily accomplished. They will exceed their 1962 target by a considerable degree and there is no question but that the oil target for next year, 1963, will also be surpassed. However, it is also fair to say that this target in the latter two years will be reached with a considerable part of it, approximately a third of it, entering the United States market both in the midwest and in district 5 of the Pacific northwest.

Therefore we can agree the policy has been successful, but the hon. member for Davenport suggests, as one alternative, that we further increase our exports into the United States. I know he is aware of the concern expressed by the secretary of the interior of the United States regarding any substantial increases in the import of oil into that country. I know he has read, as I have, the repeated statements by major independent organizations, principally the independent petroleum association of the United States, encouraging congress and the president of the United States to put Canada in terms of quota, as are other countries which export oil into the United States. Therefore it seems to me that if we adopt this suggestion and rapidly increase our exports to the United States, we may find the United States taking that action which it took some two years ago against many other countries, and cutting off our oil exports entirely.

What of his other suggestion of having a pipe line to Montreal? This has a certain odd advantage which he points out, in terms of Canada's exchange with the United States; and in terms of the construction of a line it would employ many Canadians and would also add to Canadian security by making it free from dependency on crude oil from the Middle East or Venezuela. Yes, there is much to be said for a Montreal pipe line. In fact, the first speech I made in this house in 1957 advocated that such a line would and should be built as a matter of course. I believe I said on that occasion that it was only a question of time. The government, however, decided not to build the Montreal pipe line but made provision in a section of the energy board act to construct the line if the national oil policy was not a success. The national oil policy can be a success—but it must be dependant entirely upon the development of new Canadian markets, not on exports—only if the industry continues as it has in the past two years, and I emphasize that it has co-operated in developing new markets in the Montreal area and in the extension of the present Ontario area. If this is accomplished, it is my belief that it is not for some time that we will need either to increase exports to the United States or to construct the Montreal pipe line.

But having said that, and having believed that the extension of the present national oil policy should be made in the near future so that oil companies, the industry, and all those associated can make their plans and projections for the years ahead, I still have one concern about the present oil policy. I said that it was dependant upon Canadian oil companies, particularly the integrated refiners, taking the greater part of Canadian oil production, refining it and distributing it in the large Montreal markets. It was not dependant on the United States accepting increased volume of Canadian crude. But it is quite obvious that this year and in subsequent years the export market into the midwest and the Pacific northwest is to a very large degree going to play an important role in our oil policy. My one concern is that if any of the pressures which have currently been brought to bear in Washington on the President of the United States are successful, and further, if there is any attempt to create embargoes against Canadian products, then it becomes automatic that we have to invoke the assistance of the national oil policy and construct this Montreal pipe line.

Mr. Chairman, in the history of our relationship with the United States in the exchange of goods, we have seen a series of situations which shows that when the United States reaches a stage of oversupply of any particular product or resource from Canada, pressures within that country—and this is understandable—are brought to bear on the president suggesting to him that they should block a particular Canadian product. We have seen it happen with uranium, with lead and zinc, and now with lumber. It is conceivable that such pressures could build up against oil

going into the two areas of the United States, and if that is the case I would have real concern about the success of the national oil policy. Because it would mean we would have to find a new home for over 200,000 barrels a day of Canadian oil. So I say to you, Mr. Chairman, and to hon. gentlemen in this committee, that I believe we should attempt to reach some understanding with the chief executive of the United States as to what is the attitude of their government with respect to all Canadian resources.

I said previously that I had hoped we could get either an understanding in a contractual agreement—a letter of intent—or something in the form of a treaty. Perhaps I am being a little naïve and such an agreement might prove to be too inflexible; but I see the need for at least some understanding between our two heads of state or a discussion of the whole question of the exchange of resource products, so that we do not find ourselves in a year or six months time in the position where they will say to us: "I am sorry, but the lobby of the independent petroleum oil operators of the United States has become extreme and we find it necessary to restrict or to cut out entirely the quota of oil entering the United States". It seems unlikely that such a course would be adopted, especially in view of President Kennedy's recent trade bill; but nevertheless it is significant to note that two committees have been studying just this subject in the United States. One of these committees completed its study recently and reported, indicating that the United States, of course, requires the continued supply of natural gas from Canada; but they are not this anxious about accepting our oil.

I can understand the attitude of the American oil industry. Quite obviously, with oil going into areas which their producers could normally supply, this in turn slows up their desire to find new fields and incentive is reduced. But let us look also at the Canadian industry. We are taking into eastern Canada about one third of our total capacity. We have increased production in several areas, and while there is a shortage of oil today and a shortage of reserves, there is surely no desire by the Canadian oil industry to look for new reserves unless they realize that they are going to be able to market this oil. So I repeat that we cannot leave the Canadian oil industry in a state of indecision, not knowing from day to day whether or not they are going to have the door closed on a large part of their present market.

I believe that it is essential that the Prime Minister and President Kennedy discuss this as but one related matter in the exchange of all our resource products. I emphasize "all" of them, because I think it is important to note that while we are in a position to bargain and to say to our friends that we are anxious to provide them with many of these products, we should remind ourselves of the fact that if the U.S. runs into another deficient position of oversupply their desire to bargain becomes somewhat more apparent. I believe we can serve the purpose both of United States oil marketers and the Canadian industry, as well as the Canadian government, by having a clear and frank understanding as to the direction in which we are going.

Now, sir, I want to close on just about the note I began. We have come a long way in the development of our resources. We have provided encouragement and incentive in these resolutions. It is absolutely essential that these resolutions pass this committee at an early date in order to make certain that Canadians can go into this area of resource development with a clear understanding of the risk which is involved with their capital investment, and realizing that they will have every encouragement from this government to carry out their undertakings. I believe it is equally important that the government should keep a very close watch to determine whether or not they have in these resolutions gone far enough to achieve this objective. Third, I would hope the government would at an early date clearly indicate in which direction a national oil policy will go, and what the industry may expect in new targets after 1963. These targets should be projected soon so that the industry may plan to meet them. May I, as one who for so long has been interested in this particular subject, pay my respects to the members of the cabinet concerned, and particularly to those members of the civil service, especially Mr. McKinnon, the chairman of the national energy board, who has for so long and so diligently negotiated, and successfully negotiated, Canada's present inter-relationship with the United States on all of these problems. In closing, I would say only that I have talked about the need for incentives to encourage industry. This is the keynote, I suggest, of the present session—to increase production, to increase opportunities for Canadians to participate, and thus to create a better Canada, with more employment, and more encouragement to take part in their own natural resources.

Mr. Wahn: Mr. Chairman, as this is the first time I have spoken in the house, perhaps I could take this opportunity to congratulate Mr. Speaker and Mr. Deputy Speaker upon their appointments and to thank them and the other officials of the house for the kindness and consideration they have shown to me and to other new members.

I have the honour to live in and represent the riding of St. Paul's, which is in the centre of Toronto, and which was previously represented in the house by the former Speaker, the Hon. Roland Michener. I was particularly pleased to hear at the beginning of this session the tributes which were paid to Mr. Michener by members of all parties in this house. I refer particularly to the statement made by the Prime Minister when he implied that had Mr. Michener been re-elected an opportunity would have been given to this House of Commons to consider the question of a permanent Speaker. As many hon. members will know, Mr. Michener announced last week that he would not be running for re-election in St. Paul's as he felt it would be inappropriate for one who had been a non-partisan Speaker to run again as a private member. I hope the opportunity will be found to secure for his country the services of this gifted man in some other capacity.

Perhaps I might say just this with regard to the question of a permanent Speaker, which was debated quite vigorously in St. Paul's immediately prior to the election. Quite clearly I would think it would be desirable to have a more permanent Speaker, provided due provision is made for alternation between a Speaker who is primarily French speaking and one who is primarily English speaking. If this House of Commons has the will to do it, it can very easily be done by a very simple amendment to the provision in the British North America Act which now requires that the Speaker be a sitting member of the house. I speak subject to correction but, as I understand it, such an amendment could be made by this parliament without the concurrence of the provinces. I would suggest to hon. members that it is too much to expect that a Speaker, with the onerous duties that he has, and they are quite obvious to all of us, should be called upon also to represent a riding as a partisan.

In speaking at this time I have this advantage, Mr. Chairman, it is neither necessary nor desirable for me to waste the time of the house in criticizing the actions of the government. Let me therefore merely summarize by saying that we on this side of the chamber have moved several motions of no confidence. We did so because we sincerely believe that the ministry has failed the country in certain vital matters. Very briefly and without being provocative may I say that it has failed the country first in that it has failed to recognize that emergency problems of a very serious nature are facing the country. In the second place it has failed the country in that it has not accepted the responsibility as a federal government of dealing with those problems. In the third place it has failed the country because it has refused to accept the necessity of developing plans which would adequately cope with those problems. That is all I will say on that score.

Having said that I would go on to say that we must recognize the fact that the government has done many things which are of value to Canada. As one who was born in Saskatchewan and grew up there I was happy to learn that the government had decided to proceed and was proceeding vigorously with the South Saskatchewan dam. Whatever the economics of that project may be, I am convinced that it will be of tremendous value to the people of Saskatchewan where water in ample supply is both a necessity and a luxury too frequently lacking.

Then again we are happy that western grain sales have been quite high in recent years. I commend the Minister of Agriculture for his enthusiasm and initiative in that respect, although we do not see how he can possibly expect complete approval of the house for his policies until such time as he has divulged to the house the terms upon which the sales of western grain have been made to communist countries and the extent to which the people of Canada are financing the purchase of such grain. Surely this is something the house is entitled to know.

Again, the concept of northern development, many of us believe, is an extremely important and valuable one. However, we feel that it is not being carried out adequately. The vision—and I say this seriously—must be translated into actuality. After all, Canada's north is our last frontier. It is a great Canadian heritage. I am sure all of us will agree that those thousands of square miles of Canada's northland cannot be held for this country merely by declarations in this House of Commons or by extending lines on a map from our southern boundary. All history shows that the only way in which that country can be held for future generations of Canadians is by populating it or putting people there. It is my understanding that the government has indicated that $100 million may be appropriated for the centennial celebration. I would seriously suggest that this money, instead of being spent on monuments or pomp and ceremony, be spent to a great extent in establishing and maintaining a circle of outposts in the north and in keeping Canadians there in order to ensure that this part of the country will always remain Canadian.

No doubt there are other valuable policies which the government has carried out. At this point I should just like to emphasize two

things. The first is that the four points I picked out and mentioned all involve governmental planning. The second point I should like to make is that while everyone in the house recognizes the importance of Saskatchewan, Manitoba and Alberta, I should like to remind the minister that there are other provinces in Canada, notably the great province of British Columbia to the west and the great provinces of Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland to the east. These provinces also should be given the benefits of governmental economic planning.

In reviewing the record of *Hansard* to date many of us are a bit concerned by the fact that many of the statements made by the ministers exhibit a certain feeling of complacency and lack of a sense of urgency. For example, I find in *Hansard* quotations taken from every and any source, whether expert or not, in order to prove that everything is fine and that we have no very serious or basic problems. We find, for example, statements such as these: the forecast is fine for Canada; the economy is rolling along; Canada has a clean and glowing bill of economic health; the economy is on the up and up.

As I read that I could not help thinking of that old slogan which Dr. Coué made so famous years ago: Every day in every way we are getting better and better. So I looked at the Encyclopaedia Britannica to find out what it had to say about Dr. Coué and I should like to read this extract into the record:

> Emile Coué (1857-1926), French psychotherapist whose formula "every day, and in every way, I am becoming better and better" became proverbial. Based on the power of imagination rather than that of the will, his naïve and empiric system utilized formulas, repeated again and again in a confident voice, especially at a time when the mind was most receptive, to sink into the subconscious and to eliminate ideas tending to cause distress and disease.

But then I realized that these statements were made in the debate on the speech from the throne and I did not really become concerned until the Minister of Finance delivered his budget speech last Monday evening. As I listened to him then, I really began to wonder whether I was completely sane or whether something had gone completely wrong and I was in some sort of wonderland. For the benefit of the new members and also for the benefit of those who will come after us I should like to put on the record something I found in browsing through the library that gave me a great deal of comfort. I think I have come upon the explanation and it is that the ministers of the government have been engaging in what is called "doublethink".

[Mr. Wahn.]

All hon. members will remember that "doublethink", as defined by that great philosopher, Emmanuel Goldstein, in his work on "The Theory and Practice of Oligarchical Collectivism", was quoted by George Orwell in his work, "Nineteen Eighty four" on pages 214 and 215. I should like to quote a lot of it because it is most helpful but I must refrain and only quote a little. I recommend the work to all hon. members. It reads:

> "Doublethink" means the power of holding two contradictory beliefs in one's mind simultaneously, and accepting both of them. The party intellectual knows in which direction his memories must be altered; he therefore knows that he is playing tricks with reality; but by the exercise of "doublethink" he also satisfies himself that reality is not violated. The process has to be conscious, or it would not be carried out with sufficient precision, but it also has to be unconscious, or it would bring with it a feeling of falsity and hence of guilt. ...to forget any fact that has become inconvenient, and then, when it becomes necessary again, to draw it back from oblivion for just so long as it is needed, to deny the existence of objective reality and all the while take account of the reality which one denies—all this is indispensably necessary. Even in using the word "doublethink" it is necessary to exercise "doublethink". For by using the word one admits that one is tampering with reality; by a fresh act of "doublethink" one erases this knowledge; and so on indefinitely, with the lie always one leap ahead of the truth.

I have read this into the record merely to assist all those who, like myself, are new members and also those who may follow us in the years to come. It was a great consolation to me. As I say, I became deeply concerned only when I listened to the speech of the Minister of Finance, particularly when he came to this point and said, as found on page 808 of *Hansard*:

> —we Canadians are living in the most prosperous year in Canada's history.

Mr. Nowlan: I am sure that would register with you.

Mr. Martin (Essex East): A fantastic statement.

Mr. Wahn: More important, the minister went on to admit that there were certain problems, particularly balance of payments problems. This created, I think, a general feeling, certainly in my mind and in the minds of those in the financial and business community in many quarters, that the minister really believed this and that he felt that all we had was a balance of payments problem. So I thought I would take this opportunity to invite the minister to correct what is surely an erroneous impression, no doubt arising from the fact that he was speaking from a prepared text rather than from notes on the back of an envelope to which he has become accustomed. I would be quite happy to defer to the minister and

allow him to correct this impression, which I am sure is erroneous, if he would like to take this opportunity to do so.

Mr. Nowlan: I will amplify it later.

Mr. Wahn: Then we can only take it that this was not inadvertent and that the minister was really aware that this statement was in fact in the prepared text. That is very serious because it is of tremendous importance that Canada's Minister of Finance should recognize that this country has basic problems and not just a balance of payments problem, because if he does not recognize that he will be unable to find appropriate solutions.

What are these basic problems? In human terms let me tell all hon. members that within five minutes walk of the corner of Bay and King streets which is the heart of the financial district in Toronto, you will find forced unemployment on a massive scale, disease, poverty, hunger and despair. If anyone here thinks that is not true I will be happy to take him to my riding of St. Paul's and show him some of the areas in the southern portion of it.

Those are real human problems. If human problems have no effect upon the ministers, let me translate these human problems into other terms which may have some effect upon them. What are some of these problems? First, at this moment hundreds of thousands of Canadians, our fellow citizens, are suffering from forced unemployment. Second, business failures and bankruptcies are at an all-time high. Third, more people are leaving Canada this year than are entering, and the ones who are leaving are our most highly skilled and valuable citizens. Fourth, the cost of living continues to rise. Fifth, the value of our dollar has gone down. Sixth, production per capita in Canada has actually declined in recent years. Seventh, in five years our federal government has spent about $4 billion more than it has taken in, according to my arithmetic, made up of $3 billion in deficits and approximately $1 billion in diminution of the unemployment insurance fund. Those are the problems translated from the human to less human terms. Perhaps they will make the ministers think, and not "double-think".

What should we do about this problem? The government has told us that they hope to provide, over the next four years, about 200,000 additional jobs per year, and that they will introduce shortly a program to bring this about. We hope that this program will be successful, but we would like to be of some small assistance to the ministers in achieving what we know is their goal. The Prime Minister, and I think the Minister of Labour, said that they had been happy to adopt a number of our policies and ideas. Perhaps they will adopt another one which I sincerely commend to them and which I think will provide a solution to many of our problems. It is simply this: While we must encourage the agricultural industry and indeed all private enterprise in Canada, we should concentrate upon a massive emergency expansion of our secondary manufacturing industries and the service industries associated with them.

I will tell you why I believe this. This is the only way in which the necessary number of jobs can be provided for those who are now unemployed and those who are coming into the work force. These ideas are found in many places and we hope the ministry will adopt them.

Mr. Nowlan: I have said this myself, many times.

Mr. Wahn: Perhaps I was asleep at the time and did not hear that. I see that I have only five minutes left, so I would like to get these ideas across, though they may not be new to hon. members on the other side, and I should like to get them on the record.

The idea is simply this, that the government should look at one industry after the other in Canada and develop a plan specifically tailored to each industry so that, over a period of time, approximately 50 per cent of Canada's present imports of manufactured goods will be replaced by a like amount of products manufactured in Canada. We on this side assert that this cannot be done and should not be done by surcharges or increased tariffs. We assert that this should be done by encouraging, and indeed requiring, every industry to adopt a plan similar to a plan adopted by Northern Electric to which reference was made by the Minister of Trade and Commerce earlier in the session.

My time is limited, but I should like to tell hon. members who have not seen this plan that a copy can be obtained from the minister's office. I may say the Minister of Trade and Commerce was sporting enough to say that this plan was conceived about six years ago which was, of course, when the Liberals were in power. However, this is irrelevant because the same thing can be done by the present ministry if they will follow this particular program.

Let me tell you what happened. Over a period of years Northern Electric found that they had built up what they called their import inventory. They developed the habit of importing items from other countries which were highly specialized. In 1956, the total number of items had grown to 8,000 or

9,000. They set up a committee first to consider these items to ascertain if they could not be produced in Canada. Then, they set up a committee of the higher brass to review the findings of the first committee. Then, a really top ranking man reviewed the findings of the second committee. Let me read to you what the results of that plan were by 1962:

> The end result of our program was that we transferred to Canadian manufacture over this six year period, components which were costing us $11 million per year to import. This activity has resulted in the employment of about 1,600 Canadians.

This is one company we are talking about, and I assume they mean annual employment.

> We made this $11 million worth at a substantial saving and tooling costs were recovered in about twelve months of production. A number of the parts were made in our own factory, but several thousand were subcontracted to other Canadian manufacturers.

I hope I am not being presumptuous when I suggest that the minister could go through this volume which is put out by the bureau of statistics and which shows what we are importing by industries, classify those industries and develop for each industry a plan along the lines of the Northern Electric plan. You have done it already in your national oil policy. This is exactly the type of thing I have in mind. If we had not had a national oil policy, Canadian oil production would not be as high as it is now. All I am suggesting is that you do the same thing for all these other industries, but do it on a collective basis and try to avoid the creation of governmental boards. The national oil policy, for a number of reasons, required the creation of boards, but many of these other industries would not. We should put the prime responsibility upon private business itself to develop a plan, and have a definite objective, namely an over-all replacement of 50 per cent.

Let me put it this way: The objective should be the replacement by Canadian products to the extent of 50 per cent of the value of the items we are now importing. I see I am running out of time, but I should like to say this, that statistics published by the Canadian Manufacturers' Association prove that each Canadian imports ten times as much in the way of manufactured goods as each citizen of the United States and six times as much as each Englishman. Now, this is almost incredible but it is true. If we reduce that amount by half, we would provide full employment for all Canadians.

The Deputy Chairman: It being five o'clock, it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business, pursuant to section 3 of standing order 15.

[Mr. Wahn.]

FINANCE

CORRESPONDENCE RESPECTING SURCHARGE ORDER IN COUNCIL

On the order: Notices of Motions (Papers):

> That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of correspondence or any documents exchanged between the Prime Minister or the Minister of Finance or any other minister of the crown and officers of the Department of Justice or the privy council or any other government department or agency on the subject of surcharge and imports order, P.C. 1962-902, dated June 24, 1962, and the amendment to the surcharge and imports order, P.C. 1962-987, dated July 11, 1962, and the import control list as amended by P.C. 1962-903, dated June 24, 1962, with particular reference to the legality of such orders.

Hon. Paul Martin (Essex East): Mr. Speaker, this motion, I am sure, is one, the significance of which—

Mr. Speaker: I am sorry; I cannot recognize the hon. member until the motion is put.

Mr. Fleming (Eglinton): May I ask that it stand?

Mr. Speaker: For the same reason, I cannot recognize the minister. Is the hon. member prepared to proceed with the motion?

Mr. Martin (Essex East): Well, Mr. Speaker, you had better read it since you thought that is what you should do.

Mr. Speaker: The motion is not put to the house as yet, and there is no seconder.

The hon. member for Essex East (Mr. Martin), seconded by the hon. member for Hochelaga (Mr. Eudes) moves:

> That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of correspondence or any documents exchanged between the Prime Minister or the Minister of Finance or any other minister of the crown and officers of the Department of Justice or the privy council or any other government department or agency on the subject of surcharge and imports order, P.C. 1962-902, dated June 24, 1962, and the amendment to the surcharge and imports order, P.C. 1962-987, dated July 11, 1962, and the import control list as amended by P.C. 1962-903, dated June 24, 1962, with particular reference to the legality of such orders.

Mr. Fleming (Eglinton): I wonder if I might ask the hon. member if he thinks the motion might stand. I think that he is not unwilling, with a reasonable condition, namely that when it comes up two weeks from today it should retain its place on the list. It is in the first place on today's list and I think it might be a matter of agreement that when it comes up two weeks from today it might retain that place on the list for that date.

Mr. Martin (Essex East): Mr. Speaker, as the minister mentions, he had spoken to me about this matter and I told him I was ready

to go on. It must be apparent from the documents before me that this is the case. I had hoped it would not be necessary to make any serious argument and that the minister would readily accede. However, since he is displaying his usual affable indecision and reluctance, I readily understand the situation and I will be glad, under the circumstances, to accept the suggestion that this matter be delayed, it being understood—and this can only be provided for by unanimous agreement—that the motion will not lose its place and that it will be proceeded with as the first item at this hour two weeks from today.

Mr. Speaker: Just in case there might be any confusion as to when this matter will come up, if one reads standing order 15, paragraph 3(*a*), he notices that this motion would come up next week and not a fortnight hence, and it has absolute precedence next week. A fortnight hence it would stand behind private bills, but next week it would have absolute precedence. Since the motion is stood at the request of the government under standing order 19(1), it automatically retains its place of precedence.

Mr. Martin (Essex East): May I just say, Mr. Speaker, what I neglected to say. I had intimated to the minister that I could not be here myself next Thursday because of another prior engagement that I cannot possibly avoid. That being the case, I would agree to not going on today if it were understood that, with the unanimous consent of this house, I would be allowed to proceed with this motion, without losing my present position of priority, two weeks from today. The minister acceded to this. As the house is the master of its own rules, I should think there could be no difficulty.

Mr. Fleming (Eglinton): Agreed.

Mr. Pickersgill: If I may just say a word, I think Your Honour perhaps was in error—

Mr. Speaker: Order. Everything is all right. In order to carry this out, if there are no private bills on the order paper next week it will have to be stood again at the request of the government, otherwise it would fall, by the operation of the rule.

Mr. Pickersgill: Not if there is unanimous consent and the order is made now.

Mr. Martin (Essex East): Mr. Speaker, we are all agreed now, and the Minister of Justice is going to represent me next week.

Mr. Fleming (Eglinton): Mr. Speaker, I would suggest that this course be followed. I believe the house could agree now, and I believe it is agreeable to this course, that this motion should stand until one fortnight hence and it should then have the place of precedence it has on today's list, which is first.

Motion stands.

TRANS-CANADA HIGHWAY ACT

AMENDMENT TO PERMIT ADDITIONAL AGREEMENTS

On the order:

Second reading of Bill No. C-11, to amend the Trans-Canada Highway Act (Canada highways)—Mr. Howard.

Mr. R. J. McCleave (Halifax): Mr. Speaker, I rise on a point of order concerning the right of the introducer of this bill to move second reading at this time. I question, and I will present this—

Mr. Speaker: Order. Before a point of order can be raised by the hon. member I think the question should be put: That Mr. Howard, seconded by Mr. Prittie, moves that Bill No. C-11, to amend the Trans-Canada Highway Act (Canada highways) be now read a second time. The hon. member rises on a point of order.

Mr. McCleave: Mr. Speaker, I rise on a point of order, whether it is proper or even allowable for a private member of this house to introduce such a bill. When these bills were introduced—and I turn back to the opening days of this session—at page 30 of *Hansard* Your Honour is reported to have said:

> I should like to draw the attention of the house to the fact that all the subsequent bills are non-government bills. As they will be appearing before me for the first time I am not sure of either their bulk or their content, and I do not know whether or not they meet the requirements of the rules of the house in so far as their essentials are concerned. I must therefore enter a caveat by pointing out that between now and the time they come up for second reading such bills will be scrutinized, and if there is any essential defect the house will be acquainted with that fact when the particular measure appears before us for second reading.
>
> I realize that at the present time the house itself is not in a position to judge whether a bill is acceptable or not, because it is seeing it for the first time. An order for first reading is merely a direction that a bill be printed so that hon. members may see it. This motion will be by unanimous consent of the house. Are hon. members agreed?
>
> Some hon. Members: Agreed.

I take if from that, Mr. Speaker, that I am not estopped from raising the point of order at this particular time. Then later that same day, October 1, at page 33 of *Hansard* Your Honour is reported as having said:

> I have indicated with respect to all the bills now before us for consideration, they will be studied

and prior to their introduction for second reading a ruling will be given by the Chair in respect of the said bills.

Again, to this the house agreed. Mr. Speaker, the point I am making is that the bill in question introduced by the hon. member for Skeena, Bill No. C-11, to amend the Trans-Canada Highway Act (Canada highways) is what is known by long and honourable usage as a money bill. So that my argument will be complete I would refer to the explanatory note of the bill, which says that the purpose of the bill is:

—to allow for the government of Canada financially to participate in the construction or improvement of any highway within a province, including a so-called second trans-Canada highway.

Mr. Speaker, I think by long usage it has been agreed that it is not possible for a private member, except in very rare cases where government itself may indicate its approval, to introduce such a bill as the hon. member for Skeena has brought before the house this afternoon. In support of this general proposition I refer you, Mr. Speaker to the fourth edition of Beauchesne's "Parliamentary Rules and Forms", page 204, citation 243:

All bills providing for the payment of salaries, or for any expenditure whatever out of the public funds of the dominion must be first considered as resolutions in committee of the whole. And all such resolutions necessary to the introduction of a bill must first obtain the recommendation of the governor general.

I think the records of the house will clearly show that up to this date, at least, we have had no recommendation from His Excellency read to the house, nor has a resolution which would precede the bill introduced by the hon. member been considered and passed by the committee of the whole.

Then, Mr. Speaker, I refer to a further citation in Beauchesne, page 214, citation 249. Here Dr. Beauchesne is quoting from a ruling of a previous clerk of the house, Mr. Bourinot:

No cases can be found of any private member in the Canadian commons receiving the authority of the crown, through a minister, to propose a motion involving the expenditure of public money. No principle is better understood than the constitutional obligation that rests upon the executive government, of alone initiating measures imposing charges upon the public exchequer. On one occasion, in the English commons, the consent of the crown was given to certain formal resolutions proposed by a private member with reference to charges in courts of law to be defrayed out of the consolidated fund—

That certainly has not happened in this case.

It was thought, however, that any resolution placing a charge on the consolidated fund should be moved by a minister of the crown, and the more regular procedure was thereupon carried out.

Therefore, even with the agreement of the House of Commons in Westminster, it was decided to follow the safer course, the one which in effect has become constitutional usage.

It was distinctly affirmed, however, that the member who proposed the motion involving the charge was within his right when he had the sanction of the crown, but it was generally admitted at the same time that it was better, as a matter of policy, that the proposition should emanate from a responsible adviser of the sovereign.

The responsibility of recommending applications for pecuniary redress or relief—

This is from the same citation and deals with another matter, but none the less I feel it comes within the spirit of what one does when one is dealing with money.

—to the consideration of parliament should rest solely upon the executive government, who are strictly accountable for every item of public expenditure, whose especial duty it is, in the interest of the taxpayer, to oppose all unnecessary outlay, and who possess peculiar facilities for investigating into the merits of all pecuniary claims.

It is my submission, Mr. Speaker, that the case I bring before you now falls four square within that general principle. Then, on the next page of Beauchesne's there is citation 250 (1) which reads:

It seems that under section 11 of the British North America Act the Governor General cannot officially take advice in regard to public affairs from other persons than his sworn privy councillors. The section says:

"There shall be a council to aid and advise in the government of Canada, to be styled the Queen's privy council of Canada; and the persons who are to be members of that council shall be from time to time chosen and summoned by the Governor General and sworn in as privy councillors, and members thereof may be from time to time removed by the Governor General."

Dr. Beauchesne's comment on that is this:

The wording of this section makes it compulsory for the Governor General to consult his ministers, or at any rate privy councillors, before recommending to the house an expenditure sought by a private member.

That is exactly what has not happened here although an expenditure is sought by a private member. Then further on Dr. Beauchesne turned back to the English authorities, and in particular May:

If any motion, or bill, or proceeding is offered to be moved, whether in the house or in a committee, which requires, but fails to receive, the recommendation of the crown, it is the duty of the Chair to announce that no question can be proposed upon the motion, or to direct the withdrawal of the bill.

Again, sir, at page 216, citation 250(3) reads:

The object of the resolution recommended by the crown is to give the house a first opportunity to discuss the advisability of making a certain expenditure.

I suggest that the hon. member has bypassed this giving of the house such a first opportunity.

Mr. Speaker: I think it is quite accepted in this house that a bill which will provide for the expenditure of public money can only be introduced by a minister of the crown, after being preceded by a resolution. I think the parliamentary secretary has quite clearly set that out, but I wonder has he any other points of order which might be directly applicable as to why this particular bill might offend against that well accepted principle?

Mr. McCleave: Mr. Speaker, I could labour the point, but I think that would be labouring it ad nauseam, by going to some of the other authorities.

Mr. Speaker: Is the hon. member for Skeena rising on a point of order?

Mr. Howard: No, Mr. Speaker. I wish to comment on the point raised by the parliamentary secretary.

Mr. Speaker: The discussion is on the point of order raised by the parliamentary secretary.

Mr. Howard: First, Mr. Speaker, I think the recitation of your remarks—I believe they were at page 30—made by the hon. member for Halifax was unnecessary as a prelude to raising his point of order, because it is an established practice that points of order are raised on second reading against bills being proceeded with if they contravene the rules.

Whether this is a money bill or not is a pertinent question, and I submit that it is not a money bill in that the act already contains limitations upon the amount of money which may be expended on highways, and contains a limitation as to the formula under which money will be expended within any province. All this bill seeks to do, within the limits parliament has already expressed—the limit on the total amount of money and the limit on the percentage formula—is to say that this money, which parliament has already authorized, may be expended on other kinds of highways.

I was looking through Beauchesne to find some precedents on this matter. Unfortunately I could not find them in the few moments at my disposal since the point of order was raised, but my memory tells me this matter has been dealt with on other occasions and that there are precedents which rule in favour of a bill of this nature because it does not involve the expenditure of any money not authorized by parliament.

The bill merely provides that with the approval of the governor in council the minister may enter into an agreement with any province to spend money in additional directions.

Mr. McCleave: If I may deal with the point raised by the hon. member as to whether it is a question of moneys being used in one direction or another that have been voted by parliament, under section 3 of the Trans-Canada Highway Act there is a provision:

> With the approval of the governor in council the minister may enter into an agreement with any province providing for the payment by Canada to the province of contributions in respect of the cost to the province of the construction of a highway within the province as part of a trans-Canada highway.

I submit that only one thing can happen under that section, and that is that the minister charged with this responsibility enters into an agreement with a province, an agreement under which certain rights are defined and under which the province has to carry out certain contracts to allow it to receive a contribution from the federal treasury, and this contribution is put before us in the committee for our approval.

The hon. member has added "and other highways" to the section I have just read. That means to me, for example, that should my own province be building a highway in a part other than the part designated for a trans-Canada highway, there could be a charge upon the public purse here for the costs of that highway. Therefore I submit that the hon. member is not correct when he says that only a ceiling amount of money is involved which may go in one direction or another. I suggest, with deference, this is a matter of adding an extra expenditure on top of an already existing set-up.

Mr. Speaker: A point of order has been raised as to whether this bill is within the power of the hon. member who introduced it as a private member, and whether it is contrary to the well accepted principle that a money bill can only be introduced by a minister of the crown after a proper resolution.

Now, having studied the matter, the fact is that the hon. member, by importing into this bill provisions in reliance on the Canada Highways Act, which was a 1919 statute, is trying to introduce an entirely new principle into the Trans-Canada Highway Act. He is trying to bring that measure within the scope of a bill which might be introduced by a private member by relying on the Canada Highways Act, which is chapter 54 of the statutes for 1919.

I do not think he can be successful in his endeavour for the following reasons. Briefly, section 3 of the old act of 1919 provided for an amount of $20 million during a period of five years from the first of April, 1919, so that the original act would have been valid only until 1924. However, in 1923—and I refer to chapter 4 of the statutes for that

year—there was an extension of the measure for another two years; and finally chapter 4 of the statutes of 1925 gave an extension for two more years. So on calculation, this bill was spent after those years, and the powers given to the government had lapsed unless there was to be a further extension, which did not take place.

It is well known that a minister of the government can introduce a measure to extend further the powers granted by the Canada Highways Act, 1919, and the amending acts of 1923 and 1925. I do not think it is sufficient to say, as does the hon. member, that the proposed amendment retains the present overall financial ceiling set by parliament, and the discretionary approval within that ceiling by the governor in council. All those bills of the government in 1919, 1923 and 1925 were introduced by resolutions. For instance, the act of 1923 was preceded by a resolution in committee of the whole which read as follows:

Resolved, that it is expedient to bring in a measure to provide that the time within which the various provinces of Canada may earn and be paid the sums allotted to the said provinces under the provisions of "The Canada Highways Act", chapter 54 of the statutes of 1919, be extended for a further period of two years.

The resolution of 1925 was in similar form. Now, any attempt to extend the Canada Highways Act of 1919 and its amendments would require the same procedure—that is, a recommendation of the crown and a resolution. So with the Trans-Canada Highway Act. For these reasons, I find that the bill which is proffered by the hon. member is one which cannot be introduced by a private member.

Mr. Howard: With great respect, Mr. Speaker, we cannot allow the reneged promises of the Prime Minister to be protected in that way, and I appeal your decision and your ruling.

Mr. Churchill: Mr. Speaker, on a question of privilege, the hon. member used a phrase just now with regard to the Prime Minister which I think should be withdrawn. He talked about the "reneged promises of the Prime Minister". This is an affront to the rights and privileges of parliament, using a phrase of that nature, and I ask that it be withdrawn.

Some hon. Members: Withdraw.

Mr. Speaker: I would indicate to the hon. member that the decision of the Chair is on the technical question and has no reference at all to any promise, alleged or otherwise, by any member of the ministry. Therefore, I think the remarks are quite improper at this time. If the hon. member desires to appeal my decision on a technical ground, he is quite within his rights to do so, but not to say as he did prior to that.

Mr. Howard: I had no intention of casting reflections on your decision, Mr. Speaker; I merely want to appeal it.

Mr. Speaker: I am still of the opinion that the hon. member should withdraw the words with which he preceded his appeal of the ruling of the Chair.

Mr. Howard: I did not mean them to apply to Your Honour, and if that is the thought, I certainly withdraw them without hesitation.

Mr. Speaker: They do not apply to the Chair at all, but I still think they are wrong and that the hon. member should withdraw them.

Mr. Howard: As far as they apply to the Prime Minister?

Some hon. Members: Yes.

Mr. Howard: I did not understand that that was what you expressed, and I certainly do withdraw them. May I appeal your ruling?

Mr. Speaker: The house has heard the decision of the Chair, from which the hon. member for Skeena (Mr. Howard) appeals to the house. Those in favour of sustaining the Speaker's ruling will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

Mr. Speaker put the question as follows:

The question is an appeal to the house from the ruling of the Chair which is as follows:

On motion for the second reading of Bill C-11, an act to amend the Trans-Canada Highway Act (Canada highways), the parliamentary secretary to the Minister of Public Works, Mr. McCleave, raised a point of order to the effect that as the bill contained money provisions it was not open to any private member to present such a bill. The Chair ruled that the point of order was well taken and as the bill could only be introduced upon recommendation of the crown and after a resolution had been adopted in committee of the whole the bill was therefore not in order. Whereupon the hon. member for Skeena appealed to the house from the decision of the Chair.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Addison
Aiken
Alkenbrack
Asselin
Badanai
Balcer
Baldwin
Baskin
Batten
Beaulé
Béchard
Bélanger
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Benson
Bigg
Boulanger
Bourbonnais
Boutin
Bradley
Brown
Byrne
Cadieu
Cadieux
Cantin
Caouette
Cardin
Caron
Carter
Casselman, Mrs.
Chaplin
Chatterton
Chevrier
Churchill
Clancy
Clermont
Clunis
Coates
Cook
Cooper
Cowan
Crossman
Crouse
Davis
Denis
Diefenbaker
Dinsdale
Dionne
Doucett
Drouin
Drury
Dupuis
English
Ethier
Eudes
Fairclough, Mrs.
Fairweather
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Foy
Fulton
Gagnon
Garland
Gauthier
Grafftey
Granger
Gray
Green
Grégoire
Grills
Gundlock
Habel
Hales
Halpenny
Hamilton
Hanbidge
Harkness
Harley
Hees
Hellyer
Hodgson
Honey
Horner (Acadia)
Horner (The Battlefords)
Howe
Jorgenson
Kelly
Kennedy
Kindt
Korchinski
LaMarsh, Miss
Lamoureux
Lamy
Langlois
Laniel
Laprise
Latulippe
Leboe
Legaré
Legere
Lessard (Lac-Saint-Jean)
Létourneau
Macdonald, Mrs.
Macdonald (Rosedale)
MacEachen
MacEwan
Mackasey
MacLean (Queens)
Macnaughton
MacRae
McBain
McCleave
McGee
McGrath
McIntosh
McLean (Charlotte)
McMillan
McPhillips
McWilliam
Maltais
Mandziuk
Marcoux
Martin (Essex East)
Matheson
Matte
Millar
Mitchell
Monteith
More
Moore
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Munro
Nasserden
Nesbitt
Nicholson
Nielsen
Nowlan
Nugent
O'Hurley
Ormiston
Pascoe
Paul
Pennell
Perron
Phillips
Pickersgill
Pigeon
Pilon
Plourde
Pugh
Rapp
Ricard
Richard
Rinfret
Robinson
Rock
Rondeau
Rouleau
Rowe
Roxburgh
Roy
Ryan
Rynard
Sams
Sévigny
Skoreyko
Slogan
Smallwood
Smith (Calgary South)
Smith (Simcoe North)
Southam
Starr
Stefanson
Stenson
Stewart
Tardif
Teillet
Thomas
Thompson
Tucker
Turner
Valade
Vincent
Wahn
Walker
Webb
Weichel
Whelan
Winkler
Woolliams—195.

NAYS

Messrs:

Barnett
Brewin
Cameron (Nanaimo-Cowichan-The Islands)
Fisher
Herridge
Howard
Knowles
Lewis
MacInnis
Martin (Timmins)
Orlikow
Prittie
Scott
Webster—14.

Mr. Speaker: I declare the decision confirmed.

Perhaps rather than call the various items listed under public bills which, if they were not proceeded with might go to the bottom of the list, and since we know we are awaiting a messenger from the other place, the house would be indulgent for a few moments.

THE ROYAL ASSENT

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

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

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1963.

He said: The hour appointed for the consideration of private members' business having expired the house will revert to the business which was interrupted at five o'clock.

WAYS AND MEANS

The house in committee of ways and means, Mr. Paul in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Baldwin: Mr. Chairman, I wish to take some small part in this debate at this particular time. I may say that I have been waiting for some time and have been listening to the hon. members who have made their contributions from the ranks of the official opposition. I must say that I have been bitterly disappointed. The hon. gentlemen were apparently champing at the bit to get on with this debate on the economic affairs of the nation. One would have thought that they would unleash destructive critical power with regard to the ways in which this country has been governed and with respect to economics during the past several months. However, this has not been the case. Outside of a variety of pompous political platitudes and whining and whimpering about such things as getting the nation going again, imaginative thinking, dynamic growth and so on, there has not been anything of substance. Moreover, Mr. Chairman, I fail to see how there could be.

The Prime Minister, the Minister of Justice, the Minister of Finance, the Minister of Trade and Commerce, the Minister of Labour and others from time to time since this session started have placed on *Hansard* statistical information with regard to all the various indices and records which I think constitute the best possible indication of the fact that this country has made, is making and will continue to make substantial progress in such things as the gross national product, employment, sales, savings, and foreign trade. It is not necessary for me to gild the lily and to put this information before the committee again. It is there on record and is available for those who are interested and will seek it out. What I propose to do is this, and I think I do it for the reason that there are times when we who come to Ottawa become institutionalized. Sometimes, from this point of view, looking back at the rest of the country is like looking through a telescope from the wrong end. It is necessary to go back to our people and to the areas from which we come. The legislation we pass here and the measures we adopt are to be considered from the viewpoint of the impact they make on these people who include farmers, small businessmen, workers and professional people. How have these people fared as a result of the measures which this government has taken? I am naturally far more familiar with the area from which I come than I am with any other area. This is one of the 265 cross sections of this country. This is why I propose to deal briefly and simply with the impact which has been made on the people of the country from which I come by the proposals and the legislation of this government.

One of the things I was primarily concerned in for some years and in which the people in my area were tremendously interested was the construction of a great national project in the form of a railway through the Peace river area into the Northwest Territories terminating at Pine Point and at Great Slave lake. Last fall this measure was passed. I should like briefly to recount to the members of the committee what has been the effect of the action taken as a result of this legislation. I should like to read and to put on the record a news item appearing in the Edmonton *Journal*. I am sure hon. members opposite will not be prepared to question articles appearing in the Edmonton *Journal*. Under date of August 22, 1962, the following article appeared in that paper under the byline of Rod Hayter, an experienced journalist with a knowledge of northern affairs who had made a careful on the spot survey of this railway and the extent to which it had progressed. The headline is "Great Slave Lake Railway Will Spur Exciting Northern Development" and the article reads in part as follows:

> The Great Slave lake railway will be one of the most important small railways ever built.
>
> The line will be another phase of Canadian history ranking in importance with such projects as the all Canadian natural gas pipe line and the opening of the ore fields in Quebec and Labrador.

Since that time what has happened? Since last fall 180 miles of right of way have been cut out. Contracts have been let for another 180 miles. On the first 180 miles contracts have been let and a large part of the actual grading has been completed. Track laying commenced last August. I have not the most up to date report but at this time I believe the track will have progressed to a point approximately 45 miles from railhead. The C.N.R. authorities have indicated that this line will have been pushed to a distance of approximately 73 miles by later this fall. This will mean, Mr. Chairman, that 8,000 to 10,000 farmers living in an area extending for 50 miles around the line, who have waited for many years for an opportunity to market their commodities, will have a chance to haul their grain to communities and towns much closer to where their farms are.

All this has meant the expenditure of millions of dollars. Thousands of jobs have been created and given to people not only

from our part of the country but from all sections of Canada, from other parts of Alberta, from British Columbia, Saskatchewan, Manitoba and eastern Canada. All during the course of this winter hundreds of men will continue to be employed in cutting out the right of way and building bridges.

But there are collateral benefits. Naturally the construction of a great national project of this kind must necessarily involve the expenditure of large sums of money; but our point has always been, and this was the attitude taken by the government in promoting this project, that this would result in generating far more than the actual work involved in the building of the railroad. This has proven to be the case. I refer to another news item which appeared in the Edmonton *Journal* of the same date. It is a brief item which states that Mr. Jewett, the president of Pine Point Mines Limited, was reported as having said that Pine Point construction would start next summer. That is the summer of 1963. This construction is being carried on pursuant to the agreement worked out and placed on record at the time the legislation was passed last fall. What is involved in the beginning of the construction of the Pine Point mine? This was put on record by the Minister of Transport when, in speaking on second reading of the bill to provide for the construction of a line of railway to Great Slave lake, he said, as found on page 8503 of *Hansard* for September 18, 1961:

> Construction of the railway line will bring about major new construction projects, namely, a $21 million mining camp at Pine Point; $16 million expansion of the plant of Consolidated Mining and Smelting Company, at Trail, B.C.; a $2 million community development at Pine Point—

That is a total of approximately $40 million. But there are other things, Mr. Chairman. In our part of the country we have benefited from many aspects of the programs and legislation of the government but in particular from three major policies which, like three streams, have met and merged and flowed over the country like a great river at flood in the spring, bringing tremendous benefits, enriching the land and conferring great and substantial benefits upon the people. I refer to the programs with relation to agriculture, northern development and transportation.

I have talked about the railway and have said that it is proposed to reach a point some 70 miles from railhead this year. Now, if I may, I should like to deal with agriculture. I have a news item here taken from the Peace River *Record-Gazette* of August 2 last. This is a local newspaper published in my constituency. These newspapers are factual, non-partisan, independent and report things as they see them, a practice which might well commend itself to other journalists. The news item is headed, "Plan Four Elevators at Manning", and reads in part as follows:

> A representative of the United Grain Growers Limited in Peace River said Tuesday that four elevator firms including U.G.G. will be placing elevators in the town of Manning starting this summer and expecting to be finished in October. The three other firms will be building new elevators; U.G.G. is moving one from Grimshaw.

The article goes on to say that the elevators will have a total capacity of half a million bushels and will cost approximately a third of a million dollars to build. In the Grande Prairie *Herald-Tribune* of August 7 last, another newspaper published in my constituency, there is an article headed, "North Land Rush Biggest Since War", and reading in part as follows:

> In the biggest homestead rush since pioneer days, the Peace River country has caught the fancy of land seekers from across western Canada. Reviewing the cascade of inquiries about holdings in the north, district lands supervisor Tom Gorman said Tuesday morning in Grande Prairie the activity has topped even the busy post-war period of 1946 and 1947 . . .
>
> Officials said an average of 60 to 70 persons daily had been calling at the office.

The office in Grande Prairie is one of two land offices, the other one being in the town of Peace River. These articles bear out the observations I have made personally, which indicate that from all over Canada and the United States 150 to 200 people a day have been coming into our region seeking to take up land and discover for themselves the benefits which this government has been conferring on the farmers, something which did not exist for a long time. I did some farming myself before I came to Ottawa but I found that under the previous administration it took a fairly good law practice to keep up a farm in those days.

I should also like to refer to an editorial in the *Herald-Tribune* of October 16 and I do so because I have heard from hon. members opposite a lot of doom and gloom about agriculture and farming and I think there should be an answer. The editorial is headed, "The Real Key To The Future", and reads as follows:

> As the last of the harvest comes in and autumn winds riffle through the tinted bush, vast areas of "the Peace" are stretching to wakefulness after generations of slumber. A new symphony of sound is echoing in huge tracts of bush-covered land stitched to long settled parts of the Peace river country . . . The rush which began picking up steam early this year shows no sign of tapering off. By the end of the year, up to half a million acres of new potential farmland may have been taken up.

It is not only the settlement of the land, Mr. Chairman. For many years we found it difficult to secure any form of assistance for the farmers of that area by way of farm

loans. My best estimate would be that in all the 22 years during which hon. gentlemen opposite held control of the reins of government less than $100,000 was lent to farmers for the purpose of generating and building up their productive capacity. I have a news item here from the *Herald-Tribune* of October 12 which is headed, "$2.6 Million Loan Tally Bolsters Farms In North". So we have $2,600,000 by the middle of September this year, $2,500,000 last year and about $1,500,000 for the year before, or almost $7 million in less than three years compared with $100,000 in the preceding 22 years. This has had additional benefits, Mr. Chairman. As the result of the inflow of people to our area, as a result of the fact farmers have been able to improve their holdings to increase their productive capacity, it has been estimated by those who know that holdings of approximately 2 million acres now under cultivation in the Peace River area have been increased in value by no less than $10 an acre for the entire acreage. This would mean to the farmers of the Peace River area about $20 million.

Now, I leave agriculture to deal with lumber. We have a diversified economy in that area. Under date of September 28, 1962, I notice an article in the *Herald-Tribune* headed, "Lumbermen Plan Big Winter Cut". The article reads, in part:

> Plans for a bigger-than-ever timber cut in the Grande Prairie area were unveiled this week by the city's major lumber and plywood producers.

One company alone is planning to cut about 50 million board feet for lumber and plywood purposes. This will be duplicated in all three forestry districts of the entire area. As an aside, Mr. Chairman, it may be of interest for hon. members to know that in discussing this matter with those who are engaged in the lumbering business, I found they were most pleased with the devaluation of the dollar by the government, and suggested this would mean $5 or $6 extra per thousand board feet in their pockets.

Then, I should like to deal with gas and oil. I have here a news report from the *Record-Gazette* which has the following headline, "Shell Plans to Build Gas Plant at Worsley". This refers to the construction of a pipe line and gas processing plant in the Worsley district which will involve the expenditure of millions of dollars.

It is not necessary to stop there. All this activity and increase in population in the urban communities and farming areas has had a marked effect. The *Herald-Tribune* of October 5 carries a heading, "Building Strides Near $4 Million". This one community, according to the article, will have a building construction program involving an expenditure of $400,000. The same situation prevails in other communities. It has been estimated, Mr. Chairman, that there will be no less than $12 million to $15 million spent in new housing, new plants and other construction in the urban communities of this constituency of less than 80,000 people.

The *Herald-Tribune* of October 5 carries an article to the effect that the area will have its first television programs within two weeks. This means that 75,000 or 80,000 people will, by the first week in November, enjoy the same opportunities and facilities as other Canadians, and will be able to tune in for the first time to television. This has involved an expenditure of several millions of dollars, not only in the construction of the television facilities but in the sale of new television sets and the construction of the microwave lines for carrying programs.

I go on from there, Mr. Chairman. This is something which will be of interest to hon. members opposite. The Grande Prairie *Herald-Tribune* has this headline, "Jobless Total Tumbles". The article reads in part:

> Spurred on by a healthy construction pace during September, unemployment has dropped to the lowest ebb in two years in the Peace River district, it was noted this week.
>
> "The job-seeker list we have is the lowest since the office opened," said national employment service manager . . ."

This comment applies to every part of the country. Now, Mr. Chairman, I put all this on the record because I have heard hon. gentlemen opposite talking about spurring on the economy, getting Canada moving again. I should like to call to their attention the fact that in September of last year we brought before the house a bill for the construction of the railway needed in the Great Slave area. One would have thought that hon. gentlemen opposite would have been the first to do all that they could to see this measure become law. However, after putting as many roadblocks as they possibly could in the way of the bill, on third reading they moved a motion for a six months' hoist. This would, in effect, have killed the bill. When the house divided on the motion for third reading, the official opposition voted against it.

I suggest, Mr. Chairman, that if they had had their way very little of this tremendous expansion which took place in my constituency, and of which I have presented convincing evidence, would have been brought about. I would suggest to hon. gentlemen opposite that the noise they have been making hides a very weak case. I was trying to think of an apt term which described their performance during the course of this debate, and my mind turned back to a very funny movie I saw once entitled, "The Mouse that Roared".

In my opinion, nothing else could better describe the actions and words of hon. members opposite.

Now, Mr. Chairman, I am convinced that other hon. members, if they had the opportunity and the time, could present an equally good record to this committee. This proves that, far from what has been suggested by hon. members opposite, the economic policies of this government have been sound, have been effective and have resulted in a substantial increase in the standard of living of the people of Canada.

Mr. Addison: Mr. Chairman, on the first occasion on which I speak in this house, I should like to congratulate you on your appointment as chairman. In the past, the people of York North have entrusted their parliamentary representation to notable Canadians. The history of the constituency is marked by men who well understood the principles of representative and responsible government. It was in York North that William Lyon Mackenzie began his famous march on Toronto to upset the family compact. It was York North which later elected Mackenzie's grandson, Right Hon. W. L. Mackenzie King, to represent the constituency, when he was Prime Minister of Canada. It was York North which sent to parliament Mr. King's early and great political mentor Sir William Mulock, and Sir Allan Aylesworth. It fell to Sir William's son, the Hon. "Bill" Mulock to follow in his father's cabinet footsteps. I shall not refer to all of my predecessors, but I should like to mention Mr. Jack Smith who represented the riding so well and so effectively. He was very much in the great tradition of York North. Nor do I want to let this occasion pass without referring to my immediate predecessor Mr. Cecil "Tiny" Cathers. He was, and remains a fine gentleman and a generous opponent.

Our riding of York North is a miniature of Ontario. We have in York North really the extension of the great metropolitan area of Toronto. We are urban, suburban, exurban, rural and resort country. We have large market towns and small villages. Almost nowhere has the population increased as rapidly as in the southern part of our constituency. Once our riding was primarily a rural riding with a few notable and historic towns such as Richmond Hill, Newmarket, Aurora, Markham and Sutton. These towns remain but they have grown much larger. They are important suburban communities. One of the problems that has arisen in our riding is that of commuting. A great number of our people in the riding of York North travel 50 miles each day to work. Many of these people work in Toronto and the surrounding area. Additionally, a very large proportion of our people work in industry and in small business within the borders of our constituency.

On a broader plane, Mr. Chairman, I would like to say that a social revolution is occurring in our time and I want to pay particular attention to this social revolution as it affects our economy and as our economy affects it. I refer to York North because I think it is significant. It is directly affected by the modern movements of which I have spoken. It is symptomatic of a changing North America and the effects of this change on all governments are exceedingly important. Governments, however, and legislatures have been slow to realize and recognize the importance of this change that has come about after 30 years of development. A mobile society has been created in our suburbs and our exurbs, but it has done far more than that; it has changed the internal character of our older rural areas, and as a result what we have now are centralized merchandising areas that are made possible by the ease of automobile transportation. This has altered the pattern of our economy and also of our whole society. This has given us new problems and these problems have been ignored. If we continue to ignore them we are going to be faced with a very unsound economic future.

Living has not only changed as far as areas are concerned; it has changed as far as buying habits and distribution are concerned, with regard to work and to recreation. We no longer today have arbitrary borders between cities and country, or between one community and another. People move from one jurisdiction to another for work, education, recreation, buying and selling. The facilities of one area are often today used by the residents of adjacent communities as much as by their own residents. And taxation is very much affected by all this. The distribution of municipal, provincial and federal revenues is very much involved, and yet very little has been done to study the character of this change in our social economy, let alone to try to find any permanent solutions that this situation has created.

In its very nature this kind of mobile society has forced more attention from federal governments and has added national responsibilities even though centralization may be resisted. Yet as this happens, there is a real paradox in our Canadian way of life. While federal government more than ever exerts direct control of our affairs, these functions are being thrown back to municipal and provincial interests. Federal government has got so big or so complex that it has gone beyond the ordinary man's comprehension and

world affairs, as far as he is concerned, are now occupying the federal government's deliberations.

I think we are significantly aware in the last few days, with the Cuban crisis, just how this situation has arisen. We should realize, from this example, that the average taxpayer fears, most unfortunately, that it is all too big for him to grapple with. As a result he often turns to things that are closer to him and things that he is capable of changing. Yet, again the paradox. Provincial and municipal authorities are in turn forced to seek more attention from their central government. This places a new and heavy burden on the members of parliament. It becomes their duty and responsibility to maintain a close awareness of what their government is doing, and to keep in touch with world affairs and keep their constituents constantly aware of what is happening.

As I say, people are more and more faced with the problems that they were not faced with previously. Yet we are trying to operate today under a method and system of government that existed a century ago. I, like so many people—and I think this is indicative, after the last election—now entering public life for the first time have been attempting to find some solution to these problems. I for one suggest that these solutions are hard to find because, as I said earlier, we have learned so very little about our real situation and its origins and ramifications.

Some things we do know about our country. We know that the small businessman and the farmer is under ever increasing pressure from taxes, overhead costs, competition from chain stores and massive discount houses, and from the difficulty of raising operating capital and from high interest rates. We know also that smaller industries are under similar restraints, but that additionally they are affected directly by the national trade policies of our government. I suggest that these people are seriously in need of help which they, as individuals, cannot provide by way of research and trade information but which their taxes should provide through government agencies. I suggest that we, as Canadians, should look closely at other countries that have been successful in this sphere.

I refer to the October 22 issue of the *U.S. News and World Report,* which refers to the tremendous growth of Japan's industries. Many think one of the big reasons for Japan's success is her government's policy toward business. The government, through an economic planning agency, the bank of Japan, and other agencies, sets the course and pace for economic growth. Then it leaves the job to private enterprise. It is a business-minded government, and national budgets usually show a surplus. If there is a deficit, it is small. Private investment outruns government investment three to one. I am very much of the opinion that we have been resting on our oars, so far as international trade expansion is concerned. I am of the firm belief that: (1) Export trade can only be expanded by an intelligent appraisal of our national resources to evaluate to what extent we can increase the Canadian labour content in products of these materials. (2) Secondary and service industries along with labour must look to world prices rather than charge what the traffic will bear in their pricing policies. (3) We should recognize that there is going to be a reduction in our Canadian tariffs and prepare now for competition so that our own domestic markets will not be completely disrupted. (4) We should take our products to the potential buyer. I doubt very much—an hon. member has mentioned mice—that if we were to build a better mousetrap today the world would beat a path to our door. But I do feel that in each of our potential trade areas we should establish a showcase of Canada's manufactured goods, free of charge to the exhibitor, on a revolving schedule, so that we could show our manufactured products in the country in which we choose to sell them. (5) We should analyse carefully and professionally the potential markets and then bring products that are manufactured in other countries to Canadian manufacturers and encourage them to produce them in this country for export. I am also of the opinion that at the present time we are exporting products we make for our own industries and population here, and we therefore must look to and accept products from other countries. analyse them here, and then produce them for export only. We should have tax credits and incentives to encourage our industry to produce products that will sell at competitive world prices.

In a debate such as this we might contrast the banking system in the United States which, to a large extent, operates on a local level and is often family owned in small areas, with our present banking system in Canada which is operated on the branch system. There is something to be said for the banking system in the United States where the personnel of banks remain reasonably permanent in any one area, and where the prosperity of a bank in a particular community depends on the prosperity of the community and on the bank's ability to lend money in that community. We should perhaps look for greater integration of banks in Canada with the community.

Restrictions on lending have the unfortunate effect of creating the cycle they attempt to avoid by holding down business activity at a time when the country is sorely in need of

business expansion. Mr. Fraser Robertson, in his column on the financial page of the *Globe and Mail* suggested that money is tight or easy by degree. He went on to say that without high interest rates money for investment would be even scarcer than it has been, and said free marketing and free trade go along with a free money movement. This may be so but it is hard to find any flow of easy money in Canada today. Mr. Robertson holds that we must win confidence by presenting prospectuses for our future more attractive than those presented by developers of other areas, so that those who control money will invest it in our country. I suggest that he is talking about confidence generated by the government in this context; but over the period which the Conservative government has been in office any person in business has had to look very hard to find stability in Canada's financial situation.

There are various ways to restore confidence in our country. There is room for expansion of the industrial development bank, and I also suggest that a ministry of industry and small business be established. This is important, so that we can set up research facilities and provide assistance to keep this part of our economy moving ahead. Borrowing is not enough. Money does not cure all problems. The small businessman or farmer needs the guidance and experience of trained personnel.

I suggest that the area of small business is not in good order today, and that is not entirely the fault of the businessmen themselves. They are being trapped by broader things. With such a department the government would be in a position to provide some focus in this field. In saying this I am fully aware of the danger of intrusion by government into business and private enterprise, but I do not suggest that it is a question of planning or not planning. That really is the doctrine of the '20's and '30's. Since then we have learned a great deal about planning, and we know that the right kind of planning is essential for the growth of the country.

I am not so interested in total or centralized planning which is done too far from the source of the social and business conditions concerned. I am thinking of long term assistance and incentive to regional planning for the sensible and prudent use of available resources. It is interesting to note in this context that the only country behind the iron curtain which has no food problem is Poland. The reason it does not have this problem, which is one shared by Russia, Czechoslovakia and the Balkan countries, is that planning is done for these other countries from Moscow, but planning for Poland is done from Warsaw. The Poles refused to deliver from collectivised farms and when the communists found that the Polish farmers simply would not deliver, they modified their schemes and permitted a return to private farming.

We should also consider the worrisome question of price maintenance. Discounting and price slashing have made it almost impossible for the small businessman to make a profit, let alone survive in business or industry. I realize that talk of price maintenance to some extent smacks of combines, and that combines are not popular. However, there must be a middle way, a sensible compromise which allows for reasonable floors under prices and which prevents the dog-eat-dog tactics which marked big business in the United States in the days of the Vanderbilts and the Morgans.

The fight today is between powerful concerns in the consumer goods field competing against local stores in the same field. I am not advocating control, but socially we need small business and industry, for many reasons. First of all, there is local investment and close concern with the community. Then there is the contribution of taxation and the matter of leadership and support given to local areas by small businessmen and industrialists. There is also the provision of varied employment, and there is the convenience.

I suggest that what we and our economists have been doing is looking at only one side of the issue, the economic side. We have thought very little about the social cost to our communities, through our failure to help the small businessman and farmer meet the tremendous obstacles facing them at present.

All business, in the broader sense, is affected because Canada in recent years stopped expanding. This was not necessary and it should not have happened. European countries, which we were reluctant to recognize, have done things we are astonished at today. France, even in face of the tremendous crisis in Algeria and general political turmoil, kept its economy expanding at a healthy rate. This was done by a system of federal planning which co-ordinated the policies of government, business and labour. This is the kind of function I have in mind when I speak of planning and co-ordination with the assistance of a special government department of industry and small business.

In the past we have allowed ourselves to be taken in by the extremist positions of the far-rightists and the far-leftists. We have listened to the cries of the socialist party in this country as it preached doctrines that were tried and thrown out by the British a generation ago, and by Europeans more recently. We have seen them perpetuate an antiquated class war between labour and management, or more accurately between

labour and capital because management today is not necessarily capital and management does not often imply ownership.

Of course the rights of labour exist and must be respected as much as the rights of capital and management. Anyone who would dispute this is living in a different era. If there is no partnership between them, then business and industry cannot compete in world markets, but just as the rights of labour must be respected so must the rights of those who provide management and capital. Not only is there room for co-operation, but co-operation is essential.

Anyone who is up to date in his economic and social thinking knows that extremists of either capital or labour, who attempt to maintain conditions and attitudes that were prevalent 30 years ago, are beyond help. Management, labour and capital have to come together and work out their problems together. This has been done in Europe, in countries such as Germany, France, Belgium, Switzerland, and more increasingly in Italy. As an interesting example, new ideas in the field of co-operation have made us here in Canada appear a generation behind the times. Many of the ideas we are tentatively exploring have been accepted in full body as practical measures in these countries, and it is about time we modernized our ideas here in Canada.

There is one more subject that I would like to mention, and only briefly because I am not a sufficiently informed authority in the field to talk about it at any length, and that is taxation. I am quite convinced that the small businessman has been made to bear an unfair and overweighted burden of taxation. This is one of the reasons his survival is so difficult. Surely the time has come when federal, provincial and municipal authorities must get together and try to work some sense into this problem. The old fears of stepping on one another's toes are antiquated, and a new co-operation must be found here, just as between capital, labour and management in private business and industry—established in the face of harsh realities. A Professor William M. Partlan of Fordham college in New York city offers a scheme which I think is interesting in connection with tax cuts. Some people today think we should have higher taxes, but this eminent teacher puts forward some very strong arguments to show how, properly handled, income tax cuts could enliven the economy and increase national spending.

Europe has over the past years known what we consider full employment. Apart from wartime, Canada has never experienced it. Indispensable to full employment is a continuing growth in economic development. Even in a country such as the United States, which, of course, Mr. Partlan is mainly concerned about, there is a great distance between full employment and what exists now. So here, in Canada, we have not only to catch up from a long way behind but we have to induce a much faster growth, once we have come level with what we could consider a minimum position for ordinary prosperity. Tax policy at the federal level has much to do with this. As I have said, the right kind of tax cuts would go a long way to spurring such development.

The purpose of income tax cutting should be to increase purchasing and saving power among the masses of the people. Cuts at high level incomes do little to affect this, and cutting taxes at the top income levels adds very little to the savings and spending of our country. Let us refer to family spending units and consider them with regard to taxation rather than as individuals. Normally, only one or two individuals in a family are what we consider wage earners, but the family outgoings are handled by several people. The wage earner ordinarily does not support himself only; he supports his whole family. It is true that exemptions take this into account, but the tax structure today makes personal income tax primarily a personal tax. Partlan's idea is that the federal income tax should be based on family rather than personal income, and he holds that a proper cut would necessarily be a personal income tax cut with a very careful estimate of the impact of the cut on family spending. Using his own country's statistics he shows that the middle 50 per cent of all income tax returns in the United States is in the disposable income area between $2,085 and $6,580. This is where most of the income taxes come from. He shows that this group takes in about 30 million families, perhaps 120 million people, or nearly two thirds of the entire population of the United States. To state it simply, then: for almost all people in the medium income tax brackets, a progressive income tax rate means nothing, since there is little progress in their income; and when there is, family extensions and new requirements take it up.

There is, therefore, a group of the population that pays a basic rate, and a cut in such a rate would affect family and national spending as well as potential savings, almost, I would suggest, to the full extent of the tax cuts. This would stimulate economic growth by augmenting purchasing power in his own country of the United States, of two thirds or more of all the nation's family units who would reasonably be expected to spend or to save all of the additional take home pay.

The belief that all of the money left for family spending by an income tax cut would

go immediately into consumer goods and services is reasonable. Most families are far from having what they reasonably desire, other than the necessities of life. Professor Partlan holds that even a 1 or 2 per cent increase in his nation's total consumer expenditures would be enough to accelerate investment and stimulate economic growth. But he agrees that it would be most difficult to determine what the size of the cut should be. However, he maintains that the higher level of spending from such a cut would probably offset the government's loss in revenue resulting from this cut. Certainly any effort to raise spending, increase demand, and consequently production, is a worth-while one.

In particular, Canada might well think about this scheme, since we have so many smaller industries and so much small business which would benefit by consumer spending directly. It is family spending units which do most to energize the economy by their reasonable requirements. Being realistic, we in Canada certainly know large numbers of families are far from having the purchasing power which a modern industrialized society should give them. There are many thousands of families in urgent need, and some in extreme need, of things which people in higher income groups take for granted as necessities. There is no question but that the additional money allowed by alteration of income tax would go quickly to useful purposes. It would also have a lasting and important benefit to our total economy if we tried to provide frugal comfort for all our people.

(Translation):

Mr. Caouette: Mr. Chairman, before making a contribution to this debate, I want to set the record straight as regards a statement, an allegation, made in an editorial of the October issue of the magazine the *Legionary,* I find the following about myself.

This politician recently elected to parliament—

An hon. Member: What is wrong with that?

Mr. Caouette:

—is supposed to have said at a press conference:

I am still quoting:

I have just taken the most shameful oath in my life, I just swore allegiance to Her Majesty the Queen of England.

Now, Mr. Chairman, that statement is an utter falsehood. I never uttered any such statement. I have never given any press conference in the course of which I stated anything of the sort.

If the reporter or the editorial writer who took it upon himself to make that accusation is a responsible man, I ask him, from the floor of the house, to publish an honest retraction in the same newspaper.

However there is nothing surprising in the attitude of reporters and editorial writers toward Social Credit. The reason is that we have been bothering them pretty much for many years. They always try to represent us in a wrong light, in a false light. They put in our mouths words that we do not say in order to be later in a better position to raise objections to their own creations or fancies.

Mr. Chairman, we could not care less about what those newsmen write—and I told them so many times—whether it is favourable or unfavourable to us, for six months or a year, since on television we can easily reply to them in 15 minutes and settle accounts with them.

Mr. Chairman, in regard to the revised estimates where the Minister of Finance announces cuts of the order of $227 million, under the pretence that we must live up to our international commitments, that we must even out the unfavourable balance of our trade or even make it favourable. I do not think that that is the way towards acceptable prosperity, a true prosperity for Canada.

A reduction of $227 million was made, $18,200,000 for public works, $6,400,000 previously allocated to agriculture and other departments, so that they amount to a total of $227 million.

They are proud of those reductions from the Fleming budget of last February or March, in order to ensure the economic stability of the country; they claim that those reductions would stabilize the economy to the advantage of the country. It is the opposite that will happen.

When we reduce the estimates of such departments as public works, agriculture, colonization and others in the country, we deprive them of their means of existence, we stop them from carrying on their operations and normal development.

Thus, we give rise to more unemployment, we increase the number of unemployed in Canada.

An hon. Member: Let us vote against.

Mr. Caouette: Everyone is in favour of—

Mr. Rouleau: Yours is a morganatic marriage.

Mr. Caouette: Wait and see.

Ways and Means

Mr. Chairman, what I and the Canadian people find astonishing is that Canada's economic activity is being restricted by a cut in the budget expenditures, while the Minister of Finance, in the newspapers, on the radio and in the house, talks about what he calls a tremendous success.

The government has announced that its deficit will be $175 million less than what was forecast last February or March, but it still remains that the deficit amounts to $540 million.

A few days ago, the hon. member for Lapointe (Mr. Gregoire) stated that the interest on the national debt alone is higher than the deficit. Yet, instead of penalizing those who charge us interest for a fictitious debt, make-believe credit, it is the Canadian people, men, women and children who are penalized. Let us cut their supplies but let us keep on paying interest at the rate of $800 million a year. Those $800 million are sacred. Nobody questions that. No austerity program is being introduced for Canada's financiers.

An austerity program for the human being in Canada is proposed to us. Well, we of the Social Credit party, are of the opinion that when it is necessary to apply an austerity program in this Canada of ours we should apply it first to finance and free the country so that we will have prosperity for Canadians.

Mr. Chairman, the important cuts announced in the revised estimates will result in still greater hardship in Canada.

One need not have gone to college, be a lawyer or a scientist or an economist to understand that international communism—or even national communism—has its cradle in cases of national hardship. As long as misery will prevail within abundance—and I can see that the Minister of Finance is at his desk—as long as we shall accept misery to exist within abundance, all such cases of hardship will be as so many dynamite sticks inside our Canadian social structure, which someday the communists will ignite.

This afternoon, I heard the Prime Minister (Mr. Diefenbaker) speak about the danger which the grave Cuban crisis represents for us, this crisis which could easily start a nuclear war tomorrow, or the day after. He told us to be ready.

Mr. Chairman, the moment war comes, be it tonight, tomorrow or the day after, I am convinced the financial question will be quickly solved in Canada to enable us to wage war and defend our country.

But when Canada has 500,000 unemployed, human beings, our fellow Canadians, our electors, people in our constituencies, living in dire poverty, this is not considered an emergency which calls for an immediate meeting to deal with their cases and seek to alleviate their misery. They are cast aside, they are promised the moon, they are told to be patient, they are allowed to exist by means of unemployment insurance benefits, but to give them a Canadian system, an economic system through which each one of them could develop freely, no thought is given to that.

On this side of the house, hon. members rather share the views of the hon. member for Laurier (Mr. Chevrier), and like him, they attack Social Credit without knowing what it is all about. Other hon. members reflect upon the Social Credit philosophy and say we will cause inflation. And some newspapers such as the Toronto *Telegraph* or the Toronto daily *Star* do the same. After my recent visit to the Toronto junior board of trade and to the Montreal Canadian Club—where we had 1,300 people at a luncheon talk—I had the pleasure of meeting many businessmen, small merchants and professionals of all categories, who live in anxiety in Canada.

Everybody is concerned—small businessmen, professionals, labourers, in short everybody is in doubt in Canada. To this economical and financial anxiety that we know at present, anxiety about a war, a war possible within a few weeks, is now being added.

Mr. Chairman, we are being criticized, we of the Social Credit. I have in hand an editorial from the Toronto *Telegram* in which I read this:

(Text):

Distribute lots of money so that we can all buy everything we want. Oh boy!

(Translation):

That is from an editorial writer; it is such a man who calls Social Crediters empty heads in the country. When we read such sentences, we are justified in wondering where are the empty heads in the country.

Some hon. Members: Hear, hear.

Mr. Caouette: I just heard one applaud on a desk.

(Text):

"Whatever is physically possible should be made financially possible," Mr. Caouette is quoted as having said. Who could quarrel with that?

(Translation):

Who can ask questions on that when in addition we do not agree? But what is proposed to realize a financial balance? Absolutely nothing. They go on criticizing Social Credit.

(Text):

Mr. Caouette is dead wrong when he indicates that an understanding of Social Credit is beyond the capabilities of the average business executive. It isn't. It is as uncomplicated as that familiar thing we know as inflation.

(Translation):

What is inflation? There may not be four members in this house who know what inflation is. There are politicians who, during the election campaign, spoke about inflation to some unemployed. These people were being told that there was inflation because they had too much money in their pockets, while they did not have a cent. And they were made to cheer just the same, for they were made to feel that they had too much.

Inflation, Mr. Chairman, is what comes when we have money on hand and there is not enough production to guarantee that money. When there is no production and there is money, that is where you have inflation.

Today, it is the opposite. I wish they would stop raising the cry of inflation when deflation is what we have in Canada, because people do not have enough money to buy all the different kinds of products we have in this country.

That is the problem, to balance total production and purchasing power, even if the hon. member for Laurier tells us that the whole production is sold annually. That is probably why the Liberals, when they were in power, and now the Conservatives, paid western farmers not to produce any wheat. Also, that is probably the reason why all across Canada our people's income is mortgaged with finance plans for the next four, five and six years. Go and ask the retailer, the wholesaler, the manufacturer if the whole production is disposed of. Skills are being disposed of, but not the whole production.

(Text):

In essence it is the theory that if people need money the government should print it for them and pump it into the economic bloodstream until everybody has everything.

(Translation):

That was written by a newspaperman. Those people think they are informing the public. That is the way the Canadian people have been informed in the past, not only as regards Social Credit, but on anything which hurts Queen Finance in Canada.

(Text):

This, however, is not the real danger. Social Credit has been tried before in Canada—

An hon. Member: Where?

Mr. Caouette: That is it. Where?

(Translation):

If you ever saw a man in the moon, he is the one. He does not need Khrushchev to send him up because he is there already.

(Text):

Social Credit has been tried before in Canada as an economic practice, and has failed.

(Translation):

Social Credit failed in Canada when our supreme court repudiated all the laws passed in Alberta in 1937-39, 1941, 1944, 1947. The Social Credit government did not manage to get a bank charter, but the same charter is entrusted to some individuals in Canada in order to allow them to control the economic blood of the nation so that without an authorization from the chartered banks—the hon. member for Laurier is aware of that, he is a bank director—none has the right to breathe in Canada. The right to breathe is left to the discretion of the chartered banks of the country.

(Text):

For a group of sensible men of reasonably good education to listen to Mr. Caouette and be carried away by his oratory to the point of admiration is incredible ... The day that any substantial number of Canadians vote for a man who tells them they don't have to understand his policies to approve them, we are in very real danger.

(Translation):

Some hon. Members: Oh, oh.

Mr. Caouette: Mr. Chairman, how easy to make fun of the opponent's point of view from across the house. Wait and see what are the views of our friends opposite.

(Text):

The Socreds promise opiates; indeed opiates seem to be the religion of the party.

(Translation):

Our Socred doctrine would be an opiate, our Socred creed would be an opiate. Well, I would say that the beliefs or the deceit of such a newspaperman, if that is his religious opiate, will not take him very far. If his creed is to publicly and boldly utter falsehoods to the Canadian people, this columnist does not serve the people.

We can find about the same thing in the Toronto daily *Star*:

(Text):

You don't have to understand Social Credit to vote for it.

(Translation):

An hon. Member: That is what you said.

Mr. Caouette: Not in those terms. What I said in the course of the electoral campaign is that one did not need a full understanding of Social Credit to vote for the party.

An hon. Member: Only for Caouette.

Another hon. Member: You have nothing to lose.

Mr. Caouette: Mr. Chairman, as I stated, most of those who voted for the Liberal party at the last general election did not even know for whom or what they were voting, since the Liberals had no program.

Therefore, I ask the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) to tell us what he knows about the doctrine of the Liberal party, because it is without any policies, either economic, political or social.

Mr. Dupuis: If you like to know, I can answer immediately.

(Text):

Mr. Caouette:

You don't have to understand Social Credit to vote for it.

(Translation):

Mr. Chairman, I often reminded the house that I was a car dealer. Now, when I sell a car to a customer I do not explain to him how many teeth there are in the crown gear and on the pinion of the differential. I do not tell him either what is the ration of displacement of the piston within the engine.

Mr. Chairman, the member for St. Jean-Iberville-Napierville drives a car, but I would bet my best shirt that he knows absolutely nothing about a car engine, but yet he drives the car.

Mr. Dupuis: Do you sell cars on the instalment plan?

Mr. Caouette: For 22 years we have used a Liberal engine in Canada, and that is why we have been in the ditch ever since. We must recognize that those who were driving had no idea where they were going and where they were taking us. Those people are ready to blame anybody. The present government do not give us better leadership. Both are exactly alike.

An hon. Member: They are identical.

Mr. Caouette: What difference is there between their financial doctrines, their political methods, their financial backers? Tell me who pays the bill and I shall tell you who gives the orders: the financiers.

An hon. Member: Why do you always vote with the Conservatives?

Mr. Caouette: Exactly because we do not want to vote for socialists.

An hon. Member: Where do you get your money from? Doesn't Mr. Bennett give you any?

Mr. Caouette: No, sir, nor the Liberals.

The Deputy Chairman: Order. I wish to remind the hon. members that when they wish to ask a question of the hon. member who has the floor, they must ask his permission. Otherwise we cannot have an orderly discussion and the noise prevents us from hearing the remarks made by the member who has the floor.

(Text):

Mr. Berger: Would the hon. member permit a question?

Mr. Caouette: As soon as I am through I will. I only have 20 minutes and I need about two and a half hours to deal with the Liberals.

(Translation):

Mr. Dupuis: Mr. Chairman, could I ask the hon. member for Villeneuve a question?

Mr. Caouette: No, not any more than the other member. It is the same thing.

Mr. Dupuis: If you use up your 30 minutes, I will not be able to ask you a question.

Mr. Caouette: Perhaps I will be allowed five minutes more. I will then have 35 minutes and you will be able to ask me your question.

Mr. Dupuis: I think you are scared.

Mr. Caouette: Then get on your feet and ask the question.

Mr. Dupuis: I should like to ask my hon. friend if automobiles are sold on finance at his place?

Mr. Caouette: Yes—

Some hon. Members: Oh, oh.

Mr. Caouette: —automobiles are sold on finance even to people like my hon. friend for St. Jean-Iberville-Napierville. That is correct. Terms can be arranged for the purchase of automobiles. However, I should like to point out to my hon. friend that if we do so, it is precisely because people do not have enough money to pay cash. I am saying that for his information. That is due to the financial policy of the Liberal government you have imposed upon the Canadian people for 22 years.

Mr. Chairman, the Social Credit party has a political philosophy, a social and economic doctrine. We have economists and people who have studied the Social Credit system and who have—

An hon. Member: Name them.

Mr. Caouette: Certainly, I am referring to a well-known economist from the University of Montreal, Mr. Kostakeff.

Mr. Dupuis: He is a professor of literature.

The Deputy Chairman: I should ask hon. members, especially French speaking members, to co-operate with the Chair and to allow the hon. member for Villeneuve to continue his speech.

Mr. Rouleau: I rise on a question of privilege, Mr. Chairman. In my opinion, there is no need to make a distinction in the house between French speaking and English speaking members since we are all Canadian members of parliament.

The Deputy Chairman: I agree with the hon. member for Dollard but I heard murmurs in French; that is why I made that remark.

Mr. Caouette: Mr. Chairman, the economist Kostakeff—

Mr. Dupuis: He is a professor of literature.

Mr. Caouette: In his work entitled "What is Social Credit?", the economist Kostakeff—I thank you, Mr. Chairman, for calling to order from time to time my hon. friends who want to take up my time. I suggest to the Leader of Opposition to do what he promised Canadian children during the election campaign and distribute bubble gum to his own supporters, my hon. friends on this side. It would keep them more quiet for a time.

Here is part of the study made by that economist on the national dividend advocated by Social Credit to supplement the purchasing power, which would permit the purchase of actual goods and actual services existing in Canada.

The national dividend implies the monetization of the new production, carried out by the federal treasury, through the Bank of Canada, so that the additional production may be represented by an additional financial credit made available to the people. In other words, goods are actually available for the dividend and it is easy to create the financial credit required for distribution thereof.

The real answer to the unemployment problem is therefore to create a constant demand for goods by making the money available to consumers—

Everybody admits that. When consumers have money, business is good; when consumers have no money, business is slow and everything may even come to a standstill in the country.

—either under the form of salaries or of dividends so that full employement will exist as long as there is an unsatisfied demand for goods.

Thus the dividend represents, in the form of money, the value of the real additional wealth created by the efforts of the people during the year.

Production has been created by the people. It is not a question of creating money haphazardly.

The hon. members who attack the Social Credit doctrine should first of all study Social Credit instead of making it up.

If the banks do not create new and sufficient buying power to balance production, any new additional production will inevitably start a new fall in prices at the producers' level and might result in restrictions on future production.

In fact, the amount of the national debt at the present time represents approximately the accumulated total of unpaid dividends earned by the people but never paid to them.

This is, in fact, the national debt we now have, on which we are paying nearly $800 million interest a year. Each year, we keep on paying tribute to big finance, paying its salary, its benefits, but Canadians are jobless and living in insecurity and in fear of the future. Neither the Liberals nor the Conservatives have found any solution to that problem, but when we suggest a solution, right away an attempt is made to ridicule Social Credit.

Some people prefer solutions like those offered by Maurice Lamontagne, chief economist of the Liberal party in the province of Quebec and in Canada.

An hon. Member: That is true.

Mr. Caouette: Here is what he has to say:

So, the proposed remedy, which will perhaps be applied after the war, is much less a result than a start, opening as it does the way to two absolutely contrary systems—capitalist dictatorship and socialism—

He does not say "socialist dictatorship", but "socialism".

But, Mr. Chairman, what is socialism? For the information of those who do not know its definition, I would suggest they refer to the "Concise Oxford Dictionary", in which socialism is defined as follows:

(Text):

Principle that individual freedom should be completely subordinated to interests of community, with any deductions that may be correctly or incorrectly drawn from it, e.g. substitution of cooperative for competitive production, national ownership of land and capital, state distribution of produce, free education and feeding of children and abolition of inheritance.

That is the meaning of socialism in Canada.

(Translation):

This is what Mr. Lamontagne was saying:

—socialism under any one of its forms.

Form has little to do with it—you are a socialist.

In a future perhaps less remote than is generally believed, the capitalistic democracies of today will have to make a choice, and the course they will choose will be determined to a large extent by the respective strength of the social classes which compose them.

The solution of the economist who is preeminently a Liberal, is to oppose capitalism to socialism, instead of correcting capitalism.

Therefore, in one way or another, under the Liberals we are sure to turn more and more to socialism in this country and in our respective provinces.

Mr. Chairman, my speaking time will soon be up—

Some hon. Members: Hear, hear.

Mr. Matheson: Go on. Go on.

Mr. Caouette: Several Liberals, among others their economist, and various Conservatives said on the morrow of the June 18 election, that the Social Credit people were illiterate, that they had no training, that they were people without any social standing, and that, if we obtained 550,000 votes in the province of Quebec, it was because the people there were discontented. That is quite obvious. If we had been satisfied with the Liberals or the Conservatives we would have voted for them. But we did vote Social Credit, because Social Credit alone is the alternative for establishing an economic system here at home, which will enable the human being to flourish, a system which will definitely submit money to the human person, instead of having the human person enslaved by money, as is now the case.

Mr. Chairman, in this morning's *Le Devoir*, there is signed by Mr. P. H. Lavallee, an engineer, a concise and simple study of Social Credit which means something. This is what Mr. Lavallee says:

It has always been objected that such a measure is causing inflation—as if there were no middle road between a chronic lack of purchasing power and inflation.

If the issue of supplementary credit is strictly and scientifically controlled, there should be no more inflation than when the Aluminum Company decided to invest several hundred million dollars at Kitimat, or when the Iron Ore and the Quebec Cartier Mining thought they would put more than half a billion in Labrador. There would be no more inflation than when the St. Lawrence seaway or the Dew Line were built; no more than family allowances or old age pensions caused any inflation.

The Deputy Chairman: I am sorry, but I must tell the hon. member that his time is up.

Mr. Caouette: As I have only two more sentences to conclude my remarks, Mr. Chairman, may I continue?

An hon. Member: Read out your two sentences.

The Deputy Chairman: Does the house unanimously agree to the hon. member's pursuing his remarks?

(Text):

Some hon. Members: No, no.

(Translation):

An hon. Member: Order.

(Text):

The Deputy Chairman: Is it the unanimous consent of the committee that the hon. member shall continue?

[Mr. Caouette.]

(Translation):

I am sorry, but since the house has not given its unanimous consent, I must ask the hon. member—

Mr. Chevrier: Mr. Chairman, I suggest that the hon. member should be allowed to complete the quotation of the few sentences he intended to read.

The Deputy Chairman: I must ask the house to express its unanimous consent, for the hon. member has had the floor exactly 31 minutes, and we have taken into account the time he has lost on account of interruptions. Consequently he must have the unanimous consent of the house in order to carry on with his speech.

An hon. Member: Yes, yes.

Another hon. Member: Agreed.

Another hon. Member: Two sentences.

Another hon. Member: Two long sentences.

Mr. Caouette: I am much indebted to all hon. members for giving me the opportunity to carry on.

But there might be a way to balance and stabilize the economy.

In view of the foregoing, the stand taken by conventional economists does not seem unquestionable to me, and I wonder if the second hypothesis does not have at least just as much chance of being valid as the first one.

The letter bears the signature: P. H. Lavallée.

(Text):

Mr. Prittie: Mr. Chairman, my first comment would be that the hon. member for Villeneuve is just as confused about socialism as he is about social credit and our economic problems. In the interests of national unity I was going to make a little effort in French tonight. I had planned to do it at the end of my remarks in English, but perhaps, following the hon. member for Villeneuve as I do, this might be the time to make that effort.

(Translation):

Mr. Chairman, here goes with my little contribution in French in this house.

There are English speaking members here who now wish to understand French. We try to listen to French speaking members without the interpretation system, but we do not have the co-operation of a few French speaking members.

There are some who speak at a normal speed, but there are others who, like the English say, speak machine-gun style. I am now thinking of the hon. members for Bellechasse (Mr. Dumont), for Lapointe (Mr. Gregoire), for Villeneuve (Mr. Caouette), for St. Jean-Iberville-Napierville (Mr. Dupuis) and a few others.

In the interest of Canadian unity, I say to those members: slow down.

(Text):

Before dealing with the budget resolutions which are now before the committee, I should like to comment briefly on one or two other subjects. First I want to express my great pleasure on the election of Mr. T. C. Douglas on Monday of this week. I join my colleagues in thanking the people of Burnaby-Coquitlam for the very solid support given to the federal leader of our party. Burnaby has been supporting the C.C.F. and the New Democratic party since 1933, when the late Ernest E. Winch, the father of the hon. member for Vancouver East, was first elected to the legislature of British Columbia by the people of Burnaby. He remained as member for Burnaby until his death in 1957.

(Translation):

Take your dictionary, sir.

(Text):

Mr. Chairman, I was saying that Mr. Winch, the father of the hon. member for Vancouver East, was a pioneer in the field of social reform in British Columbia. As a result of Mr. Winch's persistence very great changes were made in the treatment of the mentally ill in our province. As a result of his efforts, many changes were made in our penal institutions. He pioneered in the field of providing housing for senior citizens, and the first home of its type in Canada was, I believe, established in Burnaby by the New Vista society, which was founded by Mr. Winch. Since his death he has been succeeded by other members of our party, and in the legislature of British Columbia there are now two members from Burnaby representing the New Democratic party, Mr. Gordon Dowding and Mr. Cedric Cox. The riding of Burnaby-Coquitlam came into existence in 1953. In that year Mr. Erhart Regier was elected. He was re-elected in 1957, 1958 and 1962. Certainly my colleagues and I appreciate the part Mr. Regier has played in the recent by-election victory in Burnaby-Coquitlam.

My own riding of Burnaby-Richmond tried and discarded in turn all of the other three parties, and in June of 1962 they did the New Democratic party and myself the honour of supporting us. I trust this happy relationship will continue for many years to come.

Mr. Chairman, I want to make just a few points on the international situation as it relates to Cuba. First, I noted the other evening that the hon. member for Edmonton-Strathcona rose in what seemed to be a very hostile atmosphere and made some dissenting remarks about the Cuban situation. I certainly admire his courage for doing that in the particular situation. There is one aspect of the Cuban situation, the international situation, upon which I think some comment is necessary. We understand there are some members of the government who want to equip our armed forces with nuclear weapons. There is a danger that a tense international situation such as exists now, and may well exist in the near future, may be the occasion for attempting to change government policy regarding nuclear weapons for the Canadian forces.

There appears to be no doubt that there are missile bases in Cuba, but I do not know that we can say for sure that these bases are equipped with nuclear weapons. However, if it is later proven that this is the case, I think this fact proves that the spread of nuclear weapons increases the danger of war. We have said many times before that every addition to the nuclear club endangers peace, and we are more than ever convinced that this is so. I was pleased this afternoon when the Leader of the Opposition stated that he too was concerned about the spread of the nuclear weapons club. I took this to mean that he is opposed to Canada having nuclear weapons. I am very glad he made that statement, because I have been disturbed by the tone of questions on matters of defence and external affairs coming from the Liberal benches during the past week. They were beginning to sound like a war party beginning to change its policy on this matter, and I am very glad the leader of the party has put that matter straight.

An hon. Member: What about what they said during the election campaign?

Mr. Prittie: I do not know about during the election campaign. They just did not seem to know what Liberal policy was on this particular matter. To speak particularly of budget matters and the revised estimates which have been placed before the house, I wish to refer to the estimates of two departments in particular, the Department of Public Works and the Department of Labour, and especially the winter works program. I was very sorry to see a reduction of approximately $18 million in the estimates of the Department of Public Works. Here I do not complain of any reduction in my own riding. As far as I know, there was no estimate for it in the first place. However, in view of the number of unemployed throughout Canada, any reduction in public works spending does not make very much sense.

It would seem that Drs. Diefenbaker, Nowlan and McCutcheon and the other members of the Conservative clinic have looked at poor, sick Canada and have said, "We will

cure him by starving him". As other hon. members have said, and as most economists have agreed, they have given the wrong prescriptions for the ills of this country. They should be deprived of their licences to practice. I would refer the Canadian people to the excellent clinic headed by Dr. Douglas.

I am pleased to note that the budget slashing has not affected the winter works program of the Department of Labour; at least, as far as I can tell. However, the amount of the government's contribution to the winter works program is only $12½ million. This is a very small sum for a country the size of Canada. I want to concentrate on the winter works program for a few minutes, Mr. Chairman. The best that can be said for it is that it is better than no program at all. Some people have obtained work as a result of it, and municipalities have received some financial assistance from the federal and provincial governments.

At this point I think it is well to remind hon. members that the winter works program was suggested to the government by the Canadian Federation of Mayors and Municipalities at a conference called by the Minister of Labour in July, 1958. I wish I could say that the government had initiated the program because it was concerned about aiding municipal development, but such was not the case. The government was faced with increasing unemployment and this was a measure which would help to reduce it a little.

Long before that time the C.C.F. party had been advocating a program of aid to municipalities. It did so for two reasons, the first being that it would provide employment. At this point I would remind hon. members that there was serious winter unemployment even in the wonderful Liberal years before 1957. The second, and equally important reason, was that federal financial aid would help the rapidly expanding urban areas to provide essential public services for their residents.

Those of us who have been in local government in recent years realize the extent of urban and metropolitan problems. Some hon. members may think that it is here in the House of Commons that all important decisions are made. However I suggest that those who serve on city councils are the first to grapple with the problems created by economic and technological change, and that they are carrying some of the most critical responsibilities for public policy in Canada.

Some of the problems are structural, that is they concern the type of government needed in heavily populated regions. The question of metro government amalgamation, or regional government, is one which will have to be settled by these municipalities in consultation with their respective provincial governments. Here they do not need, nor do they ask for federal help; but whatever the type of local government, there still remains the need to pay for essential services. In this connection the Canadian Federation of Mayors and Municipalities has made many useful suggestions as to how the national government may assist in the solution of these problems.

It has suggested a municipal development bank, and here I shall quote from the federation's bulletin of December, 1961:

> The primary tool of the new federal-provincial-municipal partnership in mobilizing capital would be a municipal development bank. In a special section of the brief, the federation states its case for such a bank in terms of both national and municipal needs which are summarized in the statement that the bank would be "a missing link
>
> (1) in upgrading municipal capital requirements to the equal status which they deserve with those of the federal and provincial governments;
>
> (2) in facilitating—for the purpose of assuring economic growth and stability—the constant review of the nation's need for capital expenditure; and
>
> (3) in implementing, to the advantage of the entire national economy, the policy of drawing to the utmost upon Canadian savings for our capital investment."

The importance of that proposal is this: in order to participate in the winter works program the municipalities have to borrow, and I suppose all hon. members know that the largest part of a winter works program is paid by the participating municipalities. In order to borrow they have to compete with the federal and provincial governments in the money markets. This means that they have to borrow at high interest rates, which show up in property taxes. They are in the same position as the person who cannot afford to take advantage of bargain prices.

The principle of integrated or co-operative borrowing has been accepted by the government in the national housing authority sewer legislation, and we ask that this principle be extended to other local works.

The federation has also suggested that the section of the National Housing Act which governs rural redevelopment, section 23, be amended to include non-residential properties. The federation recognizes, and my own experience confirms, that there are many depressed commercial areas in need of aid. When an area is seriously blighted it is necessary to look at the whole area, and not just the residential part of it. The need for redevelopment is obvious in many cities, and may I observe since coming down here a month ago that there is a great need for redevelopment in Ottawa and Hull.

There are many ways by which the federal government could provide employment and assist municipal governments to create good urban living areas. At this time I shall not

go into much detail, but for those hon. members who wish to be better informed on the subject I would refer them to the annual briefs of the Canadian Federation of Mayors and Municipalities presented to the cabinet, and to a booklet entitled "There is work for Canadians in the improvement of our cities and towns."

I would add that this is all very productive work. The Minister of Finance seemed to suggest the other night that many types of public work projects were not productive. I do not believe that public works spending is the entire answer to all our economic problems, but it has a very definite place in any planning program to create economic growth. However I fear that a government bent on balancing the budget will not implement these useful and sensible proposals.

Perhaps the treasury benches should be reminded of President Kennedy's words to congress when he said "A stronger nation and economy requires more than a balanced budget. They require progress in those programs that spur our growth and fortify our strength." He went on to say "A strong America depends on its cities." I would paraphrase that and say a strong Canada depends on healthy cities. I look forward to the day when the cities of Canada, the places where over 85 per cent of the population live, will receive more federal assistance in creating healthy and pleasant environments for an expanding population.

Mr. Byrne: Mr. Chairman, the hon. member for Villeneuve gave us a very interesting presentation this evening, and in it he chose to say that you do not have to understand Social Credit in order to vote for it. In effect he said "Follow us blindly and there is every hope of a great economic future." I understand the hon. member is an automobile salesman and he certainly believes in the horseless carriage era, but I am sure that if there were something wrong with the automobile I was driving I would take it to his mechanic rather than to the dealer himself.

This afternoon the hon. member for Calgary South treated us to an interesting survey of the development of the oil and gas industry in Western Canada. Upon reflection I am sure he will admit that much of its development has been due to the great and vast pipe line projects that were undertaken during the Liberal administration. These included Westcoast Transmission, Trans Mountain, Trans-Canada and the pipe line which terminated at Duluth and which was carried on later, I believe, to Sarnia. These were all developments under the former Liberal administration.

I was very interested to listen this evening to the hon. member for Peace River, who pointed out the developments in that area due to the building of the railroad to Pine Point. Of course, this is something which had been projected for some time, and it was only when the Consolidated Mining and Smelting Company were prepared to go ahead and develop a vast lead and zinc project at Pine Point it became practicable to build the railway, and I give the administration full marks for having carried out that plan. After all, in the five years they have been in power we are surely entitled to expect some measure of development.

With respect to the Pine Point project and the Consolidated Mining and Smelting Company development I believe the hon. member estimated that the expenditures would be in the neighbourhood of some $28 million, having regard to the developments at Trail and at Pine Point itself. The national energy board, is at the present time reviewing the application of the Consolidated Mining and Smelting Company for a power interconnection with the Bonneville Power Corporation. If this project is agreed to by the national energy board, it will mean a projected development in the city of Kimberley alone of some $85 million.

Mr. Chairman, with the short time at my disposal, obviously I cannot get through the major part of my address. I hope this debate continues, but in the meantime I believe, because of the urgency of the situation with respect to the unemployment insurance fund, I should bring this matter to the attention of the administration, if it has not already been done so a sufficient number of times. According to the advisory council of the unemployment insurance commission, we are facing a complete bankruptcy of the fund. I have from time to time asked the Minister of Labour what he proposes to do about it, but of course he does not appear to worry. It is approaching winter very rapidly, but we are told that some time this fall we are going to have the report of the Gill committee, which I believe was set up some time last year. This report of the advisory committee of the unemployment insurance commission is a document of despair. In at least three places in this document there is the plea that the government should do something to strengthen the fund. The committee points out that at the end of May, 1962 there was only $20 million in the fund, and that by September it would probably reach a maximum of $70 million. If that were so it would be necessary, in order to make the fund solvent for

the full year to provide approximately another $74 million; that is, as a direct grant from the government. But, of course, they recommend against grants, except on occasion to bring the fund into solvency immediately. The actual figures for the build-up throughout the summer amount to some $75 million, where something in the neighbourhood of $70 million was projected.

So that we are in this unhappy position in respect of an insurance fund which some five years ago stood at close to $1 billion—$928 million, if my memory serves me correctly. Throughout the five years of Conservative administration, while they have not done nothing—they have increased the rates, and I believe they also took into the fund those of a higher income category—this Conservative administration has taken no action to revise the whole program so that the fund would become solvent again. They have said throughout these years that there has been full employment, that there has been no real unemployment situation; yet throughout these same five years the fund has been depleted.

Somewhere along the line somebody is not being truthful. If the fund was solvent in 1956 and we had full employment, or near full employment at that time, and this has continued, why has the fund depreciated by almost $1 billion?

The Deputy Chairman: Order. It being ten o'clock shall I rise, report progress, and ask leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business will be for tomorrow, and will the house leader indicate what we will be doing next week?

Mr. Churchill: Tomorrow will be legislation, Mr. Speaker. First the resolution in the name of the Minister of Agriculture dealing with the Farm Credit Act, item No. 27 on today's order paper. The second item will be Bill No. C-3, to amend the Food and Drugs Act, which is item No. 2 on today's order paper. And if we have time, the third item will be Bill No. C-4, to amend the Department of National Health and Welfare Act, No. 3 on today's order paper.

On Monday we will continue in ways and means committee; and if the opposition parties wish to conclude the general debate, then we would start in with the resolutions.

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

HOUSE OF COMMONS

Friday, October 26, 1962

The house met at 11 a.m.

HOUSE OF COMMONS

CONCURRENCE IN REPORT OF INTERNAL ECONOMY COMMISSION

Hon. Gordon Churchill (Minister of Veterans Affairs) moved:

That the proposals concerning the staff of the House of Commons, as approved and reported upon by the commissioners of internal economy in the minutes of their proceedings, dated September 19, 1962, which were laid upon the table of the house, September 27, 1962, be now concurred in.

Motion agreed to.

(Translation):

STANDING COMMITTEES

Mr. Theogene Ricard (St. Hyacinthe-Bagot) presented the report of the special committee appointed to prepare and report lists of members to compose the select standing committees of the house, as follows:

PRIVILEGES AND ELECTIONS

Messrs:

Aiken
Brewin
Brown
Caron
Chatterton
Coates
Crestohl
Dionne
Enns
Hodgson
Howard
Knowles
Korchinski
Laing
Lamoureux
Leboe
Macnaughton
McBain
McGee
McWilliam
Millar
Nielsen
Pennell
Pickersgill
Plourde
Rondeau
Smallwood
Stewart
Valade—29

(Quorum—10)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messrs:

Addison
Argue
Badanai
Baskin
Beaulé
Bélanger
Bell (St. John-Albert)
Benidickson
Bourbonnais
Bradley
Byrne
Cameron (Nanaimo-Cowichan-The Islands)
Chevrier
Cook
Crouse
Dupuis
Fisher
Garland
Gauthier
Granger
Grills
Gundlock
Hodgson
Horner (Acadia)
Howe
Kennedy
Lamoureux
Leboe
Legare
Lewis
MacEachen
MacEwan
Mackasey
Maltais
Marcoux
McCleave
McDonald (Hamilton South)
McMillan
McPhillips
Mitchell
Nielsen
Nugent
Pascoe
Phillips
Rideout
Robichaud
Rock
Ryan
Rynard
Sams
Sauvé
Smith (Calgary South)
Smith (Simcoe North)
Stenson
Teillet
Tucker
Turner
Valade
Webb
Winch—60

(Quorum—20)

MISCELLANEOUS PRIVATE BILLS

Messrs:

Aiken
Alkenbrack
Beer
Cameron (High Park)
Cardiff
Carter
Chatterton
Clunis
Cooper
Cowan
Crestohl
Drury
Enns
Fleming (Okanagan-Revelstoke)
Gagnon
Garland
Grafftey
Gray
Grills
Horner (Acadia)
Horner (The Battlefords)
Kennedy
LaMarsh, Miss
Lamy
Leboe
MacEwan
MacRae
Mandziuk
Martin (Timmins)
Mather
McMillan
Millar
Munro
Nixon
Olson
Orlikow
Ormiston
Otto
Patterson
Phillips
Roxburgh
Sams
Simpson
Stefanson
Thompson
Tucker
Turner
Wahn
Winch
Woolliams—50

(Quorum—15)

BANKING AND COMMERCE

Messrs:

Aiken
Baldwin
Bell (St. John-Albert)
Benidickson
Benson
Bernier
Bourque
Cameron (Nanaimo-Cowichan-The Islands)
Caouette
Cardiff
Chevrier
Clermont
Côté
Chaplin
Fairweather
Gordon
Grafftey
Grégoire
Horner (Acadia)
Kindt
Laing
Leboe
Lewis
Macdonald (Rosedale)
MacInnis
Macnaughton
McCleave
McIlraith
McLean (Charlotte)
McMillan
More
Morris
Muir (Lisgar)
Nasserden
Nicholson

Standing Committees

Nugent
Pascoe
Pickersgill
Rapp
Rowe
Ryan
Rynard
Sauvé
Southam
Stewart
Thomas
Thompson
Turner
Vincent
Walker—50

(Quorum—15)

PUBLIC ACCOUNTS

Messrs:

Asselin
Beaulé
Benson
Cadieux (Terrebonne)
Cameron (Nanaimo-Cowichan-The Islands)
Caron
Chaplin
Cowan
Crouse
Davis
Drury
Dubé
Dupuis
Fleming (Okanagan-Revelstoke)
Forbes
Frenette
Gauthier
Godin
Gray
Hales
Hellyer
Honey
Horner (Jasper-Edson)
Lessard (St. Henry)
Létourneau
Lewis
Macdonald, Mrs.
Macdonald (Rosedale)
Macnaughton
MacRae
McCleave
McGee
McGrath
Moore
Muir (Lisgar)
Noble
Olson
Perron
Pigeon
Pugh
Rapp
Rochon
Rondeau
Scott
Skoreyko
Smith (Simcoe North)
Stefanson
Teillet
Tucker
Winch—50

(Quorum—15)

AGRICULTURE AND COLONIZATION

Messrs:

Alkenbrack
Argue
Asselin
Barnett
Béchard
Beer
Belzile
Boucher
Cardiff
Chatterton
Clancy
Clermont
Clunis
Crossman
Doucett
Drouin
Dumont
Ethier
Fane
Forbes
Forgie
Gauthier
Gundlock
Honey
Horner (Acadia)
Kelly
Langlois
Leboe
Legaré
Lessard (Lake St. John)
Létourneau
Macdonald, Mrs.
Mandziuk
Mather
Matte
McIntosh
McNulty
Muir (Lisgar)
Nasserden
Noble
Olson
Orlikow
Patterson
Pennell
Peters
Pigeon
Rapp
Robichaud
Rochon
Roxburgh
Rynard
Slogan
Smallwood
Southam
Stefanson
Tardif
Teillet
Vincent
Whelan
Woolliams—60

(Quorum—20)

[Mr. Ricard.]

STANDING ORDERS

Messrs:

Aiken
Bourbonnais
Bradley
Brown
Byrne
Cantin
Chevrier
Enns
Horner (Jasper-Edson)
Laprise
MacEachen
Marcoux
Moore
Phillips
Pickersgill
Richard
Wahn
Webb
Winch
Winkler—20

(Quorum—8)

MARINE AND FISHERIES

Messrs:

Addison
Barnett
Batten
Béchard
Bélanger
Cadieu (Meadow-Lake)
Carter
Chatterton
Côté
Crouse
English
Granger
Hardie, Mrs.
Howard
Legaré
Legere
Macdonald, Mrs.
MacRae
Maltais
Mather
McCleave
McGrath
McLean (Charlotte)
McWilliam
Morris
Nicholson
Noble
Perron
Phillips
Pugh
Robichaud
Robinson
Sauvé
Stefanson
Tucker—35

(Quorum—10)

MINES, FORESTS AND WATERS

Messrs:

Alkenbrack
Barnett
Bélanger
Benidickson
Caouette
Clermont
Davis
Doucett
Fairweather
Fleming (Okanagan-Revelstoke)
Godin
Granger
Gundlock
Hardie, Mrs.
Hodgson
Herridge
Kindt
Korchinski
Leboe
Leduc
Mackasey
MacRae
Maltais
Martin (Timmins)
McGrath
McWilliam
Mitchell
Morris
Muir (Cape Breton North and Victoria)
Nicholson
Nielsen
Robichaud
Simpson
Southam
Teillet—35.

(Quorum—10)

INDUSTRIAL RELATIONS

Messrs:

Batten
Beaulé
Bell (St. John-Albert)
Benidickson
Berger
Byrne
Caron
Deschatelets
Fairweather
Fleming (Okanagan-Revelstoke)
Frenette
Godin
Grafftey
Hales
Knowles
Lachance
LaMarsh, Miss
Lessard (Lake St. John)
Mackasey
Mandziuk
Martin (Essex East)
McCleave
McDonald (Hamilton South)
Millar
Morris

Muir (Cape Breton North and Victoria)
Munro
Noble
Plourde
Rideout
Sauvé
Scott
Stenson
Valade
Weichel—35.

(Quorum—10)

DEBATES

Messrs:

Deschatelets
Eudes
Haidasz
Howard
Langlois
McIlraith
Meunier
Nugent
Pugh
Valade
Winkler
Woolliams—12.

(Quorum—7)

EXTERNAL AFFAIRS

Messrs:

Aiken
Bernier
Bourbonnais
Bradley
Brewin
Brown
Cadieux (Terrebonne)
Cardin
Chapdelaine
Chatterton
Crestohl
Dubé
Fairweather
Fleming (Okanagan-Revelstoke)
Herridge
Knowles
Lachance
LaMarsh, Miss
Macdonald
MacEachen
Macquarrie
Mandziuk
Martin (Essex East)
McIntosh
Morris
Nicholson
Nugent
Patterson
Richard
Slogan
Smith (Calgary South)
Smith (Simcoe North)
Stewart
Thompson
Vincent—35.

(Quorum—10)

ESTIMATES

Messrs:

Argue
Baldwin
Bell (St. John-Albert)
Benson
Berger
Bigg
Boulanger
Bourque
Boutin
Burgess
Cameron (High Park)
Cantin
Carter
Casselman, Mrs.
Coates
Cook
Denis
Dionne
Dubé
Fleming (Okanagan-Revelstoke)
Forbes
Foy
Frenette
Gordon
Grafftey
Haidasz
Hales
Hellyer
Horner (Jasper-Edson)
Howe
Jorgenson
Kennedy
Korchinski
Laing
Latulippe
Létourneau
Loiselle
Macquarrie
Mandziuk
Matheson
Matte
McBain
McGee
McGrath
McIlraith
McLean (Charlotte)
McPhillips
More
Olson
Orlikow
Peters
Rinfret
Rock
Roy
Smith (Calgary South)
Smith (Simcoe North)
Turner
Vincent
Webster
Weichel—60.

(Quorum—20)

VETERANS AFFAIRS

Messrs:

Asselin
Bigg
Boulanger
Burgess
Cardin
Carter
Clancy
Davis
Drury
Fane
Forgie
Harley
Hellyer
Herridge
Kennedy
LaMarsh, Miss
Laniel
Laprise
Létourneau
Macdonald, Mrs.
MacEwan
MacRae
Matheson
McIntosh
McWilliam
Millar
Ormiston
Ouellet
Perron
Peters
Pilon
Plourde
Prittie
Pugh
Robinson
Roy
Thomas
Webb
Weichel
Winkler—40.

(Quorum—15)

PRINTING

(Members to act on the part of the Commons)

Messrs:

Alkenbrack
Berger
Boucher
Bourque
Bradley
Cadieu (Meadow Lake)
Cadieux (Terrebonne)
Caron
Chaplin
Cooper
Cowan
Crossman
Drouin
Dumont
Ethier
Eudes
Fane
Gagnon
Grills
Hanbidge
Harley
Horner (Jasper-Edson)
Howe
Kelly
Kindt
Lamy
Laniel
Latulippe
Leduc
Legere
Lessard (St. Henry)
Loiselle
MacInnis
McDonald (Hamilton South)
McIntosh
McNulty
Moore
More
Muir (Cape Breton North and Victoria)
Nasserden
Otto
Ouellet
Pilon
Prittie
Rondeau
Rowe
Sams
Scott
Skoreyko
Smallwood
Smith (Calgary South)
Stenson
Tardif
Whelan—54.

LIBRARY OF PARLIAMENT

(Members to act on the part of the Commons)

Mr. Speaker and Messrs:

Baskin
Belzile
Bigg
Boutin
Brewin
Casselman, Mrs.
Clancy
Coates
Côté
Crossman
Davis
Denis
English
Fairweather
Fisher
Forbes
Gordon
Gray
Grégoire
Haidasz
Hanbidge
Horner (Jasper-Edson)
Howe
Lachance
Laniel
Latulippe
MacInnis
Martin (Essex East)
Matheson
Matte
McGee
Meunier
More
Munro
Nixon
Ormiston
Phillips
Plourde
Simpson
Skoreyko
Slogan
Smith (Calgary South)
Stewart
Wahn
Walker—46.

Standing Committees
RESTAURANT

(Members to act on the part of the Commons)

Mr. Speaker and Messrs:

Badanai	Macdonald, Mrs.
Belzile	MacRae
Byrne	Marcoux
Cameron (High Park)	Martin (Timmins)
Cook	Pugh
Denis	Richard
Doucett	Rinfret
Gundlock	Roy
Hales	Stefanson
Harley	Tardif
Hodgson	Walker
Horner (The Battlefords)	Webster—26.
Legere	

Mr. Ricard moved that the report be concurred in.

Motion agreed to.

(Text):

POWERS OF COMMITTEES

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That the standing committees of this house be severally empowered to examine and inquire into all such matters and things as may be referred to them by the house; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

BUSINESS OF THE HOUSE

INQUIRY AS TO SPECIAL COMMITTEE ON DEFENCE POLICY

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether the government will consider recommending to the house the setting up of a special committee on defence policy.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. gentleman did not give me notice of this question. There are many phases of the situation which will have to be considered. When the government is in a position to do so an announcement will be made and an answer given to the question.

REQUEST FOR STATEMENT ON CANADIAN DEFENCE POLICY

On the orders of the day:

Mr. E. J. Benson (Kingston): Mr. Speaker, I should like to address a question to the Minister of National Defence. In view of the serious world situation can this house expect the minister to make a full statement on Canadian defence policy next week?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, as the hon. member knows, the order of the business of the house is arranged by the house leader.

Mr. Benson: I have a supplementary question. In view of the answer given by the minister, will he take advantage of the present debate in committee of ways and means to indicate the extent of any additional defence expenditures which will result from the present world crisis?

REQUEST FOR SETTING UP OF COMMITTEE ON RAILWAYS, AIR LINES AND SHIPPING

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question either to the leader of the house or to the Minister of Transport. Now that the standing committees of the house have been set up, will action be taken at an early date to set up the committee on railways, air lines and shipping owned and controlled by the government?

Hon. Gordon Churchill (Minister of Veterans Affairs): Yes we are in the hands of the house on this. If the house will proceed rapidly with the business before it, we can get on with other matters which now appear more urgent to some hon. members. It is a question of adjusting ourselves to circumstances, and a little more flexibility is required. If we completed the ways and means work speedily, we could proceed to committee work, supply motions and everything else required.

UNITED NATIONS

NUCLEAR TESTING—CANADIAN POSITION RESPECTING MEXICAN RESOLUTION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, in view of the recent statement made by General Burns at the United Nations with regard to the cessation of nuclear tests, may I ask the Secretary of State for External Affairs if he is now in a position to say what

the Canadian government's attitude is with regard to the thirty power resolution proposed at the United Nations last week regarding the cessation of tests by January 1 next?

Hon. Howard C. Green (Secretary of State for External Affairs): No, Mr. Speaker. This matter is still under consideration. In view of the crisis over Cuba the first committee has not been holding meetings every day during the week, so not very much progress has been made with regard to this particular matter.

Mr. Martin (Essex East): Would it be wrong to conclude that there may be a modification of government policy with regard to this matter?

Mr. Green: Mr. Speaker, the hon. member would be very unwise to speculate in that way.

HOUSING

N.H.A.—REQUEST FOR REDUCTION IN INTEREST RATE

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, my question arises from the correction made in *Hansard* yesterday by the parliamentary secretary to the Minister of Public Works. It has to do with the moneys advanced by Central Mortgage and Housing Corporation for loans under the National Housing Act. Will the government give immediate consideration to reducing the present N.H.A. interest rate?

Hon. E. D. Fulton (Minister of Public Works): Mr. Speaker, the interest rate and housing policy generally are constantly under review. I might say that so far I have successfully resisted suggestions emanating from various quarters that the interest rate should be increased, and I think the hon. member will be glad to know that has been done.

(Translation):

HOUSE OF COMMONS

REPORTS OF BANK OF CANADA IN FRENCH

On the orders of the day:

Mr. Albert Béchard (Bonaventure): Mr. Speaker, my question is directed to the Minister of Finance.

Following the answer given by the Minister of Finance, as recorded on page 824 of *Hansard* for October 23, 1962, I went to the library and found that a French version of the monthly reports of the Bank of Canada does not exist. After inquiry, I was told that the monthly reports are edited in English only.

Would the minister tell us whether he intends to take some measure in order to have these reports published in French?

(Text):

Hon. George C. Nowlan (Minister of Finance): I will inquire into that matter and reply later.

EXTERNAL AFFAIRS

CANADIAN SUPPORT FOR APPEAL OF U.N. SECRETARY GENERAL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Is the minister yet in a position to answer the question put to him yesterday by the hon. member for Greenwood with respect to whether the government of Canada will support the appeal made by U Thant in regard to the present situation?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, in reality that question has been overtaken by events. The secretary general is meeting today with representatives of the United States, of the Soviet union and, I believe, of Cuba in separate meetings in an attempt to work out some sort of settlement. In the meantime the sittings of the security council have been suspended, and they will only be resumed at the call of the secretary general. I do not know whether that will be tomorrow or possibly some time next week. Our delegation in New York think it even might not be for a week. I am not in a position to say definitely when the security council will resume its meetings.

We are very pleased, of course, that the representatives of the great powers and of Cuba have agreed to these meetings with the secretary general and we are hopeful that some worth-while results will be achieved. I am planning to go to New York over the week end, and I do not know just how long it will be necessary for me to remain there.

(Translation):

CANADIAN PACIFIC RAILWAY

INQUIRY AS TO ACTION TO AVOID STRIKE

On the orders of the day:

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I would like to put a question to

the Minister of Labour. Could he inform the house of the latest developments in the negotiations between the employees of the Canadian Pacific Railway and the company? *(Text)*:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, my information is that the talks are progressing satisfactorily. They are still meeting this morning.

CANADIAN NATIONAL RAILWAYS

CHATEAU LAURIER HOTEL, OTTAWA—STATEMENT BY MINISTER RESPECTING REDECORATION

On the orders of the day:

Mr. C. M. Drury (St. Antoine-Westmount): Mr. Speaker, I should like to direct a question to the Minister of Transport. As I have understood previous statements in the house, Canadian National Railways is an autonomous or semi-autonomous corporation over which the minister has no administrative control. The minister, however, has been quoted in a newspaper article—

Some hon. Members: Question.

Mr. Drury: I am coming to the question—as claiming responsibility for the redecoration or lack of it of the Chateau Laurier hotel in Ottawa. Would the minister say whether he is responsible for the decoration of the Chateau Laurier—

Mr. Speaker: Order.

Some hon. Members: Sit down.

Mr. Speaker: Order. I think the hon. member will recognize that the question of redecoration or lack of it of any portion of the Chateau Laurier, either functional or otherwise, is hardly a question for orders of the day.

Hon. Lionel Chevrier (Laurier): On the point of order, Mr. Speaker, it has been decided previously on repeated occasions that the minister, being responsible for the conduct of the affairs of the Canadian National Railways in the house, is the one who should reply for the Canadian National Railways on matters of this kind.

Mr. Speaker: Order. The hon. member will also recognize the responsibility of the Chair in deciding the nature of the questions to be asked. I am not indicating that the minister may or may not have responsibility in regard to the Canadian National, but I do not believe the question is a proper one for this time of day.

Mr. Chevrier: I submit to you, sir, with respect that it is the kind of question to which the minister should reply.

[Mr. Lessard (Lake St. John).]

Some hon. Members: Sit down.

Mr. Chevrier: I am not going to be intimidated by those who sit over there.

Mr. Speaker: The Chair is the one who decides.

Mr. Chevrier: I am sorry, but I cannot hear you, Mr. Speaker.

Mr. Speaker: As I have indicated, it is the Chair who decides the nature of the question that arises.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Before making a final decision, would Your Honour hear argument on the point? The question asked by the hon. member for St. Antoine-Westmount raises a constitutional matter. It is whether the Minister of Transport has any authority to interfere in the internal management of Canadian National Railways. Mr. Meighen, when this subject first came up many years ago, laid down that principle that has been followed by all governments since up to the present. What the hon. member for St. Antoine-Westmount was inquiring was whether the present Minister of Transport was reversing something that had been going on for 40 years and that had been accepted by this house.

Now, sir, I submit that this is the most fundamental kind of question that any hon. member could possibly ask; whether the time honoured system by which the government exercises supervision over Canadian National Railways is being changed by the present Minister of Transport without any advance notice given to this parliament. In view of the important constitutional consequences it seems to me that the Minister of Transport or the Prime Minister, and not Your Honour, should decide this question.

Mr. Churchill: Remember the Fort Garry hotel.

Mr. Pickersgill: I remember it very well.

Mr. Pearson: It came up in the house, and questions were accepted.

Mr. Speaker: Order. I am not trying to close off the hon. member, I am only endeavouring to hear him.

Mr. D. M. Fisher (Port Arthur): With deference to you, Mr. Speaker, it seems to me that you may have been premature in your interpretation of what the hon. member was after. I have thought of exactly the same question. I should like to point out to Your Honour that a number of times recently, and as late as yesterday, the minister when reporting on Canadian National affairs made it quite clear, as is traditional, that he is nothing more than a channel for information and questions about the Canadian National.

I know many people will think the dining room at the Chateau Laurier is insignificant, just as a few years ago we thought some incident at the Fort Garry was insignificant, but I think it is the principle involved in this particular case. It would appear, according to the press, that the minister has spoken as though he does have a real, sharp right to speak and instruct the management.

I think, Mr. Speaker, the question is in order, and it should give the minister an opportunity to either associate or dissociate himself with the whole question of the minister's role in relation to the Canadian National.

Mr. Speaker: I certainly had not interpreted the question as it was put assuming this, shall we say, constitutional importance in the minds of certain hon. members, who perhaps were reading a lot more into a newspaper article in a semi-humorous vein to the effect that we were now involved in a serious constitutional question. After all, perhaps hon. members have also expressed opinions about the desirability of certain features in certain C.N.R. hotels, and the Chair has not been beyond that point either since it is involved in a Canadian National hotel in the Speaker's home city. It was for that reason I felt the question was not a proper one to be asked on orders of the day, and I am still persuaded in that regard.

(Translation):

AGRICULTURE

REQUEST FOR DIRECT GRAIN PURCHASES BY EASTERN FARMERS

On the orders of the day:

Mr. Bernard Dumont (Bellechasse): Thank you, Mr. Speaker, for casting an eye on this corner of the house once in a while. My question is directed to the Minister of Agriculture as I have received no reply to my question dealing with the purchase of grain in the west. Can eastern farmers buy their feed grain from western farmers?

(Text):

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I was hesitating to reply because of the rules, but the answer to the question is that under the statutes of Canada, in particular the Canadian Wheat Board Act, this is not possible if you mean buying from individual farmers. However, if any farmer in eastern Canada wishes to buy from the Canadian wheat board he is free to do so at any time.

(Translation):

Mr. Dumont: A supplementary question, Mr. Speaker. That being the case, which grain company is protected and where can one apply to be protected against excessive grain prices?

Mr. Speaker: Order. The hon. member's question is not a supplementary question.

(Text):

NATIONAL DEFENCE

CUBA—PHOTOGRAPHS OF MISSILE BASES

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of National Defence and ask him whether he or his department has received from the United States defence department prints of photographs of the Cuban missile bases for Canada's own study and verification?

Hon. D. S. Harkness (Minister of National Defence): No, Mr. Speaker.

[*Later:*]

Mr. Harkness: In connection with the question asked a minute ago by the hon. member for Laurier, I think an impression might have been left that we have not seen these photographs. I have seen the photographs, and certain other Canadians have seen them also and are convinced as to the situation. Then again, of course, as the Secretary of State for External Affairs reminds me, they were shown in the security council last night.

TRADE

GATT—INDICATION BY CANADA OF DURATION OF SURCHARGES

On the orders of the day:

Mr. L. T. Pennell (Brant-Haldimand): I wish to direct a question to the Minister of Trade and Commerce. Has the government given any indication to the GATT member nations of what period of time Canada expects to continue the surcharges enforced on June 25 last?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I am afraid I have not been able to make out the question.

Mr. Pennell: I will be pleased to repeat it for the minister. Has the government given any indication to the GATT member nations of what period of time Canada expects to continue the surcharges enforced on June 25 last?

Mr. Hees: No, Mr. Speaker.

GATT—SIGNATURE OF DECLARATION PROHIBITING EXPORT SUBSIDIES

On the orders of the day:

Mr. John R. Matheson (Leeds): I wish to put a question to the Minister of Trade and Commerce arising out of a news item in the *Times* of London of October 25, 1962. Is Canada one of the 14 countries which has

already signed the GATT declaration to prohibit export subsidies on manufactured goods?

Hon. George H. Hees (Minister of Trade and Commerce): Yes, Mr. Speaker, subject to certain reservations.

FARM CREDIT ACT

PROVISION FOR INCREASE IN LENDING CAPACITY

The house resumed, from Friday, October 19, consideration in committee of the following resolution—Mr. Hamilton—Mr. Chown in the chair:

That it is expedient to introduce a measure to amend the Farm Credit Act to increase the capital of the Farm Credit Corporation from $12 million to $16 million so as to increase the lending capacity of the corporation from $300 million to $400 million; and to provide further for certain changes in connection with the administration of the act.

Mr. Lamoureux: Mr. Chairman, this is the first opportunity I have had to congratulate you on your appointment to the high office you hold in this house. You have discharged your responsibilities since the beginning of the session with the efficiency and assurance of a master in the art of arbitration, and with the ease of a veteran parliamentarian. I wish you continued success in the execution of your duties.

(Translation):

Through you, Mr. Chairman, I should also like to join those who have already congratulated the Speaker in whom the house placed its confidence by asking him to conduct our proceedings. However, at the time the hon. member for Edmonton West was nominated for the office of Speaker, it seems to me that the Prime Minister made an incorrect statement when he praised and commended that candidate. I must point out that contrary to what he said then, it is not the first time that a French speaking Canadian representing a riding outside the province of Quebec has been appointed Speaker of this house. As a matter of fact, in 1904 the House of Commons elected to the office of Speaker the member for the riding of Ottawa, the Hon. N. A. Belcourt, a politician who left an indelible mark in the history of our country and whose memory we shall always cherish with emotion and gratefulness.

Mr. Chairman, since the beginning of this debate, a few days ago, we have heard an impressive number of speakers outdoing each other in eloquence and all agreeing at least on the necessity of financial help provided by the federal government to Canadian agriculture through farm credit. They all agree on the principle of a legislation aimed at providing essential financial help to farmers. But we believe that the Farm Credit Act, 1959, even though it was inspired by the best possible intentions, did not prove to be, in practice, the complete answer to credit problems of farmers. When such legislation does not entirely meet the needs of the people which it is intended to protect, the legislator ought to think it anew, to give it further consideration and, without rejecting it altogether, at least to correct the weaknesses revealed by its use.

One would have to be deaf, blind or in bad faith not to recognize that many farmers in eastern Canada are not satisfied with the act under its present form or with the way it is being applied. The complaints made in this house by so many members speaking on behalf of their electors from farm areas cannot all be figments of imaginative minds. How could this dissatisfaction be denied? And yet, among the hon. members who, in this house, support the government, Mr. Chairman, those seated on your right have given the impression, in their speeches during this debate, that they feel our farmers no longer have any problems.

Thus, each time somebody in this house refers to difficulties in certain areas or to our farmers' sad plight, certain government supporters—those on your right, Mr. Chairman—raise cries of protest, as if those words were aimed at them, as if they felt responsible for those hardships.

Mr. Chairman, the lengthy discussions we have had until now will not have been in vain, if government supporters, from either side, accept our proposal to refer the bill to the committee on agriculture, where it will be possible not only to submit to the attention of the government the practical difficulties brought about by the existing act, but also to take part in the drawing up of a legislation better suited to the economic requirements of our farm population.

(Text):

When the Farm Credit Act was passed by parliament in 1959 the specific object of the legislation was declared to be:

—to assist Canadian agriculture to voluntarily reorganize itself into economic family farm units, each of sufficient size to be capable, under the management of the owner, of producing sufficient income to pay operating and maintenance costs,

provide a good standard of living, and to repay the loan necessary to set up such a unit, within an appropriate period.

The important words in this statement made by the then minister of agriculture were his reference to the reorganization of family farm units. No one, of course, can overemphasize the vital role of the family farm as an element of economic and social stability. Preservation of the family unit's role in Canadian agriculture was the declared goal of the original legislation. This was the high purpose to which the legislation was officially dedicated. I pressure that this resolution, by increasing the working capital available to the corporation, proposes to further the same principle.

To be sure, the proposal to safeguard Canadian agriculture against the gradual disappearance of the family farm was commendable in every possible way. However, one might well ask at this juncture if the Farm Credit Act has achieved this main original purpose. It is my submission that the statute, since it was enacted in 1959, has achieved just the opposite result to the one it had been intended to produce. In point of fact the number of farms has been going down steadily in recent years, to the point where the agricultural population of Ontario represents a mere 8 per cent of the total population of the province. During the five year period ending in 1961, and including 1961, the number of farms in Canada decreased by approximately 15 per cent, falling from 575,000 to 480,000. In Ontario the number has decreased in the period from 1956 to 1961 from 140,600 to 121,000, a reduction of 14 per cent.

The facts behind this reduction in the number of farm units in Canada and in Ontario are entirely economic in nature. The most important of these facts is the practical unavailability of credit to the large number of farmers on small holdings who are not prepared, for good and valid personal reasons, to tackle expanded operations, additional land purchases, to take on the acquisition of increased herds and other costly expansion schemes which are actually the normal prerequisites to the approval of loans under the Farm Credit Act.

According to the last report of the corporation, the average amount of approved loans has increased as follows: 1957-58, $5,748; 1958-59, $6,273; 1959-60, $7,498; 1960-61, $10,846; 1961-62, $11,652. The significant fact in these statistics is the very considerable increase in the size of the average loan following the enactment of the Farm Credit Act. The average individual loan increased by 44 per cent from the year 1959-60 to the year 1960-61. In Ontario the average farm credit loan in 1961-62 was $12,367.

Now, Mr. Chairman, there is nothing wrong with the corporation or the Department of Agriculture or any department of the government advancing $12,367 to a farmer who wants to expand his operations. In fact some of us feel that the present ceiling should be increased to take care of cases where the appraised value is much in excess of $20,000. But the typical loan now is the large loan, and there is very little room left for assistance to the average owner of a small holding who does not want to embark upon the considerable business venture which is represented by a $12,000 or $15,000 farm expansion. I repeat that the weakness of this type of loan is that it affords financial help to a limited group of individuals and does little for the no less deserving farmer who, for good reasons such as personal health or family circumstances, or the type of operation he conducts, may not wish to undertake an expansion program, but who may yet be in dire need of financial assistance to meet immediate commitments. The act as it now operates leaves a vacuum in the field of small loan assistance to the majority of farmers who operate family units. The act encourages the development of larger holdings, and thus carries a large part of the responsibility for the serious reduction in the number of family farms.

At the outset of this legislation, the committee was told that the loans would be advanced for a number of purposes, including land purchases, payment of debts, improvements, and the purchase of livestock and equipment. However, it is interesting to note that during recent years the moneys advanced by way of farm loans have been used in ever increasing proportion to acquire new lands. In 1957-58, on the average, 27.7 per cent of the mortgage moneys went toward land purchase; four years later, in 1961-62, the figure has more than doubled and 57.8 per cent of moneys lent are used for the purchase of additional lands. Only 4.5 per cent of moneys advanced now go toward livestock and equipment purchases.

It is obvious that the proposal to increase the capitalization of the corporation is deserving of support, inasmuch as and to the extent that it will encourage all those who are engaged in agriculture to stay on the farm. But I think the corporation should seize on the opportunity given to it by the increase in its working capital to liberalize the approval of loans, so as to reach out and help all those

on small holdings who cannot afford the luxury of a $12,000 or $15,000 mortgage debt, but who are in very real and immediate need of financial help.

After the last increase in the capitalization of the corporation the amount actually lent increased by 13.3 per cent, but the number of persons helped increased by only 5.4 per cent. Thus the increased funds were used mainly to increase the size of the loans rather than to help more people. Let us hope that this further increased capitalization will not again result primarily in higher loans, but rather in a larger number of individual loans and in a larger number of farmers helped and assisted.

(Translation):

I further think that I should bring to the minister's attention the prolonged delays which happen too often after the loan has been approved, until the time when the required amount is actually paid to the borrower. I do not know who should be blamed or held responsible for those delays which are often a cause of serious trouble and even considerable damage for those farmers. Delays of six months and over after the loan application is approved are, in fact, quite common. Indeed, I would invite the minister to tell us what the average period has been for the united counties of Stormont, Dundas and Glengarry, between the day when the official request was signed by the borrower and the day when the transaction was closed and the money handed over to the borrower; I should like to have that information for the loans approved in those three counties in 1961. I would be very surprised if the figures in that regard did not confirm the general opinion that, in practice, the administration of the Farm Credit Act is too often unfair, because the borrower is subjected to a system of delays which can only harm him.

It is therefore imperative, Mr. Chairman, that provisions be made to accelerate the examination of applications submitted to the corporation, and the eventual paying out of the loan.

I therefore suggest, first of all, that the administration of the act be made more liberal, and that the act itself be amended, to the extent deemed necessary, so as to facilitate loans to the small farmers and, in this way to put a stop to the tragic erosion of the family farm system; and, second, that the act be administered so as to accelerate the approval and paying out of the loans.

(Text):

Mr. Chairman, only if this matter is referred to the committee on agriculture can these proposals which I have made, and others which have been submitted in the course of this debate, receive appropriate consideration; and only in this way can the bill be of real and valuable assistance to over-all prosperity and progress in the farming communities of Canada.

[Mr. Lamoureux.]

Mr. Hamilton: Mr. Chairman, in opening the debate on the resolution to amend the Farm Credit Act to allow for the broadening of the act, and to allow for making the act more flexible, I made it very clear that one of the reasons we had in mind was that in examining the work of the act, which has been in existence for not quite three years yet, we had found that it did not quite meet the needs of the type of farming particularly in British Columbia and in the eastern provinces. Possibly as a result of having made that statement, possibly as the result of a minister of the crown critically examining his own legislation, some of the members of this committee have proceeded to debate this point with great enthusiasm but with not too much knowledge of the facts.

I do not want to be overly critical of new members who come here with extreme enthusiasm for the needs of their constituents in presenting their case, but I do think it behooves them to adopt the same tolerance and openmindedness to government legislation that I know I personally am trying to adopt. In the first instance, for anyone to suggest, as was suggested this morning, for example, in just one of several speeches, that the loans made by the Farm Credit Corporation were tending to become larger, and then from this fact to deduce that this was because the government was opposed to giving loans to small farmers, does not speak too well for an hon. member's understanding of all the legislation that is available to farmers in connection with credit.

In my earlier remarks on this resolution I tried to point out that there were several types of credit. The first type was obviously the short term credit for two or three months for the purpose of operations. This credit is being handled by the private banks, credit unions and other institutions of this nature to the extent of, as I think I gave the figure, approximately $100 million a year.

Then there is an intermediate type of loan. That is the loan for livestock, the loan for equipment, the loan for improving your farm home, the loan for capital expenditures of a small nature on your farm. Not only the present government but the previous government have supported legislation known as the Farm Improvement Loans Act which partially guarantees to the bank losses suffered by giving this type of loan to agriculture. In order to help hon. members have the facts,

I gave the figures of the amount of loans put out under the Farm Improvement Loans Act in the last two years, and the total since 1945. I did that in order to show that this type of intermediate credit for the smaller type of loan was being increasingly used by the farmers. Later on in my remarks I intend to put on record additional information showing the extent and the size of these loans under the Farm Improvement Loans Act in order to show that in so far as loans of the type that some of the hon. members have been asking for under this long term act, namely the Farm Credit Act, are concerned, they are being handled extremely well, I believe, under the Farm Improvement Loans Act, to the extent now that $106 million and $110 million a year are being borrowed by farmers through this type of intermediate credit for the purposes I have outlined, the purposes which the members legitimately asked for government help to provide.

I say that this credit is provided under the Farm Improvement Loans Act. But for anyone to stand up in this house and suggest that farmers under the Farm Credit Act, which is a long term type of mortgage credit, should go into the field of short term loans such as loans for equipment and livestock, which lend themselves more properly to the intermediate type of loan, is something which indicates a lack of understanding of the three types of credit. Knowing that he is obliged to go through extensive legal procedures to mortgage his farm—and this is not a cheap procedure—what sensible farmer is going to go through these long and expensive procedures in order to mortgage his farm for a small loan when he can walk over to a bank and, under a government guaranteed loan, get the actual type of loan he wants at the same rate of interest without any red tape? I therefore suggest that if you look at credit in these broad aspects—

Mr. Teillet: Can they get those loans now?

Mr. Hamilton: They are being made at the rate of $106 million to $110 million a year right now. I will give you the figures on this matter if you like right now since the question has been asked. These are the figures of farm improvement loans in the year 1960 across Canada. The hon. member for Assiniboia put this information on the record. In 1960 there were approximately 68,000 loans for a total of approximately $102 million. The average size of this intermediate loan was $1,497. In the year 1961 there were 70,600 loans approximately amounting to over $108 million; and the average loan was $1,531. Since this is the average loan many of those loans must have been smaller, and of course some of them were larger.

I can give you a breakdown of what these loans were for, exactly the same thing that is asked for by the hon. members. The great bulk of these loans are for farm implements. In the year 1961, out of a total of approximately 70,600 loans over 50,000 loans amounting to over $76 million or 70.6 per cent of the total were for farm implements; for farm buildings there were approximately 7,000 loans amounting to over $15 million or 14.4 per cent of the total, with the average loan being $2,180. For livestock there were 9,547 loans for a total of approximately $12,675,000, for a percentage of 11.7 of the total, with an average loan of $1,330. These are not large loans. There are thousands of them going out to meet the needs which hon. members legitimately asked for.

I am simply pointing this out with all the emphasis at my command. Don't spoil a good long term credit act designed to lend money for up to 30 years by asking them to go into the chattel type of loan for short terms of three, four or five years, as envisaged and as actually carried out by this Farm Improvement Loans Act. I am therefore suggesting that the figures are fairly definite in indicating that the various types of credit demand are being met.

Being a politician I cannot help but wonder whether all this enthusiasm by the official opposition for farm credit now, in 1962, is prompted by a great load of guilt which they carry because all that was lent in all the years from 1929 until 1957 was roughly $4 million a year under long term credit legislation.

An hon. Member: They did not need it then.

Mr. Hamilton: We are now lending money at the rate of approximately $70 million a year under long term credit. This load of guilt which I know they must carry is never disclosed to the new members when they read the party literature that comes out from party headquarters. However, these are official records of the government of Canada. When your farmers tend to look askance at these statements that are being made, it is because more and more farmers are learning just what the difference is.

I am short of time, Mr. Chairman, so I am obliged to hurry on. Several speakers made remarks about which, in the interests of factual knowledge, I think something should be said. I have been discussing this question that I myself raised, namely that some provinces seemed to be using the Farm Credit Act, which is long term credit under mortgage, much more than other provinces. In my opening remarks I said that the five western provinces seemed to be using the act quite well but that in looking at the figures for the east I was not quite satisfied. This statement sent too many members off on the wrong trail. They thought I had made an admission

that would destroy me in Quebec and the maritimes. I am therefore going to give you the figures and relate them to income.

I am going to list next the net farm income for the years 1959, 1960 and 1961 by provinces. Then I am going to give the number of loans disbursed from October 5, 1959, to September 30, 1962. That is the period in which the act has been working. I will do this in percentage of net income. Then let us see just how much discrepancy there is as between the various provinces.

The net farm income of the province of British Columbia over these years was $170,940,000. During that time there has been disbursed in loans $8,990,000. I will give the *Hansard* reporter these exact figures so that I can go over them more quickly now. The province of British Columbia received in loans approximately $8,990,000. This amount was 5.2 per cent of the net income of that province. Alberta during this period had net farm income of approximately $718 million and received approximately $41 million in loans, or a percentage of net income of 5.79, so there is not much discrepancy there. Saskatchewan with net income of approximately $718 million received loans amounting to about $53 million, or a percentage of net income of 7.40. This is a little higher, but there is a reason for that and I can give it. Manitoba had net income of $258 million approximately and received loans amounting to approximately $10,800,000, or a percentage of 4.19.

During those three years or parts of three years Ontario had net income of $1,002 million, and loans disbursed in that province under this long term type of credit amounted to nearly $49 million, or a percentage of net income of 4.88, very close to the national average. During these years Quebec had net income of approximately $575 million and loans amounted to roughly $4,600,000, which gives a percentage of net income of .41. I want to come back to that in a moment.

New Brunswick had net income of roughly $50 million and loans of approximately $1.8 million, for an index figure of 3.64. In Nova Scotia net income amounted to approximately $43 million and loans were roughly $1 million, for an index figure of 2.42. In Prince Edward Island net farm income amounted to roughly $33 million and loans were approximately $1.9 million, for an index figure of 5.78. Taking the three Atlantic provinces the Atlantic total for net farm income was roughly $126 million and loans amounted to approximately $4.7 million, for an index figure of 3.78, not too far off the national average; because the national total for net farm income during those years was roughly $3.5 billion and loans amounted to approximately $173 million, or a national figure for percentage of net income of 4.84.

In reading these figures into the record I want to make it absolutely clear that I was the one who first raised the question of the proportion of loans going into the various provinces, but I never thought there would be such a chasing of the hare down the forest path as there has been in an attempt to prove that the government has discriminated against one province or another. I was the one who raised the matter and I pointed out, clearly enough I thought, that I was not satisfied with the number of loans in the province of Quebec. However, everyone knows that for years the province of Quebec has had provincial loan legislation under which farmers can borrow for 2½ per cent, whereas our loans carry an interest rate of 5 per cent. I think that is one explanation why the farmers of Quebec were borrowing from the province. They were borrowing where they could get money at 2½ per cent, because I do not think the farmers of Quebec have gone softheaded yet.

In recent months, however, there has been a falling off in loans by the provincial government, probably because it has said that it will pay 2½ per cent of our 5 per cent interest rate if the farmer borrows from the federal government. We have seen this opportunity and have moved in and offered federal farm credit with all the counselling that we do. I will give the figures for one county, or maybe it is two counties together. Over a period of eight years there were only six loans. This year applications have been made for 118 or 119 loans.

An hon. Member: One hundred and twenty.

Mr. Hamilton: Somebody says 120. In that particular area we will make 75 to 100 loans in one year, as opposed to six loans in eight years. This is because of the opportunity afforded to us when the provincial government moved out of the farm credit picture to a degree.

The other province that I do not think is satisfactory is Nova Scotia. Once again, the province of Nova Scotia has a provincial credit act under which larger loans than we make are available. The act is much more flexible than ours, so naturally the good, solid farmers of Nova Scotia tend to make use of the more generous legislation.

These things do not mean that we should sit idly by and say that because Quebec makes loans at a low interest rate and because Nova Scotia has a very fine provincial act we should not do anything in those provinces. The federal legislation has a particular service to

perform. With our loans we do one thing that is not done under most provincial loans. We sit down with the farmer and help him to work out a program or plan that will mean he will get more income as a result of having borrowed. In the case of younger men from 21 to 45 we not only work out a plan with them, but we sit down with them month after month during the period when they are paying off the loan, help them to run their farming operations and make sure they do everything that will give them the best chance to pay off their loans quickly while at the same time raising their income.

It is because of this very fine principle of supervised loans and supervised farm management and operations that so many thousands of farmers are feeling more confident about embarking on a mortgage loan that gives them some chance of raising their income from their farming operations and at the same time paying off the debt. I think I mentioned in the house two years ago, or maybe just a year ago, that in the case of over half the loan applications made to us by farmers the result of our sitting down and discussing the matter with these farmers was that when the final decision was made, over half of them agreed to take more money than they had applied for.

I cannot divulge individual cases to anybody. This is wrong and must not be done, but let me take a hypothetical case that is very close to an actual one without divulging where the loan was made or who got it. A farmer with a small farm, who has laboriously worked out a plan whereby if he can borrow $9,000 he can increase his income and pay back the loan over a period of 12 years, comes to see us and says, "Will this be an acceptable plan?" The farm credit supervisor looks at it and says, "Yes, I think it will be acceptable. Let us go over the plan step by step. Let us go out and look at your farm." After a lot of discussion extending over a period of about six weeks they work out a plan whereby he borrows $14,000, I believe, which he can pay back in four years. The farmer says, "That is much better than borrowing $9,000 and paying it back over 12 years". Here is a case where we put this farmer into a higher income bracket. He is still a small farmer, because a loan of $9,000 or $14,000 on most modern farms is not a big amount, and at the same time he is able to pay off the loan much faster.

I think this is the essential point. I have made the purposes of the act very clear, and have explained how we are working to supplement the short term credit provided by banks and farm credit unions and the intermediate credit under the Farm Improvement Loans Act guaranteed by the government. We are providing this new type of mortgage credit, but we are now faced with the fact that after two and a half years of operation we are not quite satisfied with what the act is doing so we are bringing in certain amendments. I am not allowed under the rules to outline these amendments in detail at this time. Hon. members will see what they are when they have the bill in their hands after first reading. But I can say that the bill is aimed specifically at making the act broader and more flexible, and helping eastern farmers even more. One editor noted with amusement that I included British Columbia farmers among the eastern farmers.

I have a whole series of points that have been raised by other members in the debate on the resolution which I think should be answered in all seriousness and in the interests of disseminating knowledge throughout the country, but in looking at the clock I think I should limit myself to approximately the same length of speech as other members have made. I will find an opportunity, probably in the debate on second reading or in the committee stage where we deal with matters point by point, to answer most of the questions that have been raised.

I should like to recommend to the committee in all seriousness that we have been debating this resolution now for several days, and there will be an opportunity to make speeches again on second reading and in the committee stage. But in the interests of getting this resolution passed and the bill finally passed to help the many farmers who are awaiting these amendments, I would ask the committee to pass the resolution now. The bill will then be introduced, and hon. members will know more precisely what we are talking about.

Mr. Fisher: It is always a source of enjoyment to bask in the overriding confidence of the Minister of Agriculture. The only point I want to make to him is that in the past, this particular bill, and probably in the future, does not work worth a damn in northwestern Ontario. I believe the minister is aware of this, but I should like to put on the record the reason it does not work worth a hoot. There is no system of pressing it; there is no way, in an isolated region, whereby the people who really need this help can get word or use of it.

One of the ironies of the legislation we have for the farmer is that it seems to apply only in areas where the farmers have been, at some time in the past, the largest coherent economic group, and where they have built

up some kind of detailed program of association which has made them such a powerful pressure group that legislation, both federal and provincial, has tended to dovetail with their interests. Now, in the region of northwestern Ontario we have never had a tremendously successful farming situation. We did have the beginnings of one back at the time of Hon. John Dryden in the 90's in the development in what might be called the western clay belt and in the Kaministikwia river valley, a farm belt that depended mostly upon root crops. In addition there are those who exploit farm woodlots for pulpwood.

I have never been able to discover that there is a single measure administered by the Department of Agriculture, including this important measure, that has been of much use to the farmers of northwestern Ontario. You can go through the annual reports of the Department of Agriculture and see all the acts administered by that department. They take up a whole page of the report, but very few of them have had any consistent application in our part of the country. We have not any cold storage plants which are supported by either federal or provincial subsidies. We have had very little use of the various subsidies in relation to improving the soil. We have had very little assistance from any of the special scientific services developed, although I will grant the minister that he has made a move toward establishing a federal experimental farm in the area. However, it seems to have been a very cautious step.

I put it to the minister that in our area we, particularly the farmers in my constituency and that of the hon. member for Fort William, would appreciate a little less of what I think of as earnest blarney and a little more real appreciation by the minister of our situation. The minister is a stranger to that part of the country. Why does he not come in and tell us what he is providing now? The minister knows it is very little. I am quite prepared to accord the minister a case for the things he has done and is trying to do for agriculture, but so far I cannot see a single example of any good that has been done for the farmer of northwestern Ontario.

One of the things we would like is support prices for pulpwood. Well, that has been ruled out; we cannot have that. One of the other things in connection with income for farmers in the area and in Quebec that is very important is the price farmers get for pulpwood today. Again, we can get no help from this government either through the price stabilization board, the combines investigation branch or any of these groups. We cannot find out why the pulpwood companies are able to keep prices depressed.

Within our area, Mr. Chairman, we have more grain than any other constituency or constituencies in Canada. We have got to the place where all the various qualities of feed grains are determined and set aside, yet we have no real operation there in beef cattle, as you may assume we should have. The challenge could very easily come back that northwestern Ontario has this situation, where the farmers have to depend to a certain extent on pulpwood. If they are right next to vast quantities of feed grain, if they have any kind of reasonable climate that will produce root crops, surely they should be able to do something on their own initiative. One of the problems there is the same as that of farmers everywhere in Canada, that they have to compete in terms of their young people with industries. We happen to have a high wage area, at least in the pulp and paper industry, so it is very difficult for the farmers to get workers and it is very hard to keep the young people on the farms. This is traditional.

It is almost impossible to get credit for farm operations. However, one distinguished characteristic of farming in our area in recent years has been the fact that the genuine farmers are disappearing and fairly well to do businessmen, doctors and others in our community have been going out and buying up the land. I am not suggesting they are doing it as a sort of tax device, but you have the fact that most of our farmers are becoming what you might call gentlemen farmers. They are professional men, businessmen. They have a bit of land and, depending upon their interests, they plant Christmas trees, build up a little herd of cattle, show a few horses and cows at the annual fairs. This seems to be the trend. But the real farmer in our area who is putting in a crop or producing poultry or beef is in a bad way and is tending to disappear. The latest census figures that were provided—they are not complete in details about farm homes, farm wealth, farm equipment—indicate that the region of Port Arthur and Fort William has suffered a continuing slump since the last census in the number of people engaged in agriculture and, so far as I can determine, in actual income.

I do not want to take any more of the time of the committee, Mr. Chairman, but since the minister seems to have the figures for the counties in Ontario and Quebec I should like him, at the next stage, to tell the hon. members for Fort William and Port Arthur how much the Farm Credit Corporation has been lending in northwestern Ontario, particularly in the Port Arthur-Fort William region. I am positive it is peanuts, to use the term that

was so much loved by a former leader of our party in this house. I just use it so the minister will have a better appreciation of the lengths I am prepared to go in indicating that most agricultural legislation, and in particular this measure, is of little use in our part of the country. The suggestion I would make is that the only way it can help is if we have a more aggressive sales force.

At the present time a person who wants a loan under this act has to deal through an appraiser who works primarily for the Department of Veterans Affairs. He is a fine person, but this is not his major chore. There is an office in Toronto and one in Winnipeg. The Toronto office is 870 miles away from us and the Winnipeg office is approximately 500 miles away. In other words we are a microcosm of the Canadian structure but isolated, and not only isolated in this particular regard but also neglected and ignored.

I cannot think of any place where more political work is required to be done by the party presently in power. I could illustrate that by citing the voting figures in favour of Conservative candidates who have stood in that area. With so much political work requiring to be done, and giving the minister credit for what I call earnest confidence, I believe he should come into our area and explain to us how this act really helps our farmers, and tell us the things he is doing for the farmers in northwestern Ontario. That would be much appreciated, and I could even conceive that in doing so he might be able to make a little bit of mileage. I want to reiterate that this act really does not mean much for the farmers in northwestern Ontario.

Mr. Davis: I shall be brief, Mr. Chairman. All I really want to do is direct a few questions to the Minister of Agriculture in order to clear up some matters in my own mind, and I hope in doing so I shall be of some assistance to other hon. members who have an interest in this legislation.

As I understand it, the minister is asking for the expansion of capital for use by the Farm Credit Corporation from $12 million to $16 million, thereby expanding the lending capacity of the corporation from $300 million to $400 million. He is also asking for certain administrative changes in the act. Basically he wants to broaden and make more flexible the long term mortgage type of lending to the farmer. The farmer in Canada is typically a Canadian and he certainly needs more credit today to make his farm more efficient. In that respect I am all in favour of the broadening of credit under this legislation.

With regard to the request for greater administrative discretion in the administration of the act, I think this should be examined quite carefully. Too great administrative discretion can lead to bureaucracy and the problems which bureaucracy entails.

Finally, in his introductory statement, the minister made reference to uses for agricultural land which are non-agricultural in character, and I wonder whether these other land uses should properly be referred to in this resolution.

The amount of money being lent under the terms of the act has risen quite dramatically during the last year or two, and there were various reasons for that. Economic conditions were not ideal, but one can also characterize this legislation, in part at least, as a loophole, an awkwardly contrived loophole, in the otherwise tight money policy of the government. We see in it an opportunity afforded to people in the farming community to obtain money on loan for long periods of time and at lower rates of interest than generally prevail across the country.

In support of that contention I shall read a few sentences which apepar in the 1962 report of the Farm Credit Corporation. On page 11 of that report we read:

> Despite efforts to control administrative costs, the reduced margin between average interest costs and the statutory lending rate of 5 per cent has meant that total expenses have risen from 91.58 per cent of income in 1957-58, when a net operating profit resulted, to 108.48 per cent of income in 1961-62, when a net operating loss of $776,117 resulted.

In other words the lending showed a slight profit back in 1956-57, and last year it was at a substantial loss. The report continues:

> To have avoided an operating loss during the fiscal year just ended the corporation would have required a margin, between the lending rate and the cost of money, of 1.13 per cent.

If the government had been borrowing, as I gather it is currently borrowing, at between 5 per cent and 5½ per cent, then it would have to be lending to the farmers at a rate of about 6½ per cent to break even.

An hon. Member: Do you suggest that?

Mr. Davis: I am simply substantiating my statement that this is a loophole in the government's tight money policy. I would add that in order to break even on these 5 per cent loans, the government would have to be borrowing at around 3¾ per cent to 4 per cent. I hope this will be possible in the future. It has been possible in the past, but with the present state of the Canadian economy the rest of the community can properly claim that there is a preference for the farmer.

As I said before, the farmer is a Canadian. He is engaged in an industry which, at least in terms of numbers employed, is declining.

A third of our population was in agriculture in 1930. The percentage went down to 20 per cent by 1950 and it is now around 12 per cent. People who are going to stay in the industry will need more equipment and more land to farm bigger and more efficient units; therefore credit advanced under favourable terms will assist in making the industry more efficient.

I wish to make one more reference to the report of the corporation. It appears near the bottom of page 11:

> As at March 31, 1962, the reserve stood at $2,757,451, or only 1.26 per cent of the corporation's investment in mortgage loans. Thus the reserve, intended as security against the risks of capital loss inherent in any credit operation, is being rapidly depleted, not as a result of capital losses, but primarily because of the narrow margin between the interest cost to the corporation and the rate at which the corporation must, by statute, lend to farmers. At the same time, the total capital risk represented by the mortgage investment is rapidly increasing.

The risks are increasing. The costs of money are increasing, and in effect we have had a subsidy in recent months which in itself has been rising.

I turn now to the administration of the act and I wish to quote from page 597 of *Hansard* for October 16, 1962, where the minister is reported as saying:

> Some of these amendments—

—to the Farm Credit Act—

> —are therefore intended to broaden the credit program so that farmers will have greater latitude in the use of the money they borrow.

Later on he said:

> —these amendments are planned to help the farmer to develop non-agricultural enterprises on his farm, such as camping grounds, tourist cabins or cottages and so on, if he can make more profitable use of his land resources in this way. These latter proposals obviously broaden the role of the Farm Credit Corporation in the field of agricultural adjustment. They will make it possible for the corporation to provide much greater support to our program of agricultural rehabilitation and development.

I suggest that these moneys now, in part at least, can be used for non-agricultural purposes; camping grounds and summer cottages are mentioned. But would it not be possible, or even likely, in circumstances such as those on the delta, near Vancouver, which is close to large metropolitan centres, or on the outskirts of Hamilton, that people who own farm land might obtain loans for such purposes —extraneous purposes they might be called— and later convert their lands in part or in whole for use in some commercial enterprise other than agriculture?

I suggest that rather than extend the act in this fashion, these other extraneous purposes might come under the scope of the industrial development bank or be covered by some other act of parliament. If it is desirable to assist in the development of service type industries in which Canadians can invest, and which Canadians can run efficiently, we should do so through other legislation. I should like to hear the minister elaborate on this point, because I think it is important and that it will be increasingly important in the efficient administration of this measure and of the affairs of this country.

(Translation):

Mr. Boutin: Mr. Chairman, I shall take these few moments at my disposal to make a few remarks on this resolution. I represent a constituency where more than 60 per cent of the citizens are farmers. It is therefore my duty to suggest, on their behalf, a few ideas which could help improve the fate of the farmers of my constituency, of my province and of the country as a whole.

Mr. Chairman, when Canada was discovered, the first thing Canadians had to do was to tackle our forests, to push them back as far as possible, in order that our soil could develop to its fullest potential. Those Canadians were not deceived. Our soil responded well to the hopes of our first inhabitants. From day to day, from year to year, we have seen develop along the St. Lawrence river, and then more and more inland, and to the upper reaches of my constituency of Dorchester, well established farms reflecting the modest comfort of our people.

There was no problem at the time, as far as feeding a large family was concerned, because as the sons got older, they put their intelligence and their hands to use, in order to help, enlarge and improve the homestead. And when the time came for them to leave the farm and bring up their own families, there was no question of going to the city to find jobs because they stayed on the farm, or they bought a farm in the neighbourhood of that of their fathers to carry on the tradition and agriculture, which has always been the pride of this Canada of ours.

And that was done without those people having to resort to farm loans which, in many cases, force farmers to go deeper into debts.

Nor was it necessary for them to have grand farms, without rocks, to take care of their families. If such had been the case, part of the constituency of Dorchester would not exist, because our farms are pretty rocky.

Now, in the last few years, we have been witnessing a phenomenon in which everything

is going in a reverse direction. Is it possible that the farmer is working less than before? Yet, he works 15 hours a day and gets a very small income from his labour, which is a consequence of past and present systems. Neither is it because the land does not want to yield any more. But then, what is the cause of that massive flight from our family farms, of that reluctance on the part of the farmer's sons to step into their father's shoes? Why do we see family farms which have been in existence for several generations pass into the hands of neighbours wishing to expand their own lands? The answer is quite simple. It is that the Liberal and Conservative governments have never had the same policy, for all the areas of the country.

The federal ministers of agriculture have always looked at the eastern farmers with one eye only, and the weaker one at that, with the result that those farmers are not getting the same advantages as are those from the west. We do not hold it against our friends from the west, for having been much more favoured than we have been by the agricultural policy of the government but we should like to see the same policy extended to us, farmers operating in the province of Quebec.

Before discussing farm credit to improve the farms in Quebec, would it not be better to consider the construction of warehouses to store our farm commodities until the government finds markets for them? Let us begin by consuming our Canadian eggs before importing some from Poland.

Mr. Chairman, it is intended to loan money to our farmers so that they can increase their production. All that is very fine. But, has consideration been given to markets for that production? If our markets are not better than they are right now, the existing problems will get worse and our farmers will only sink deeper into debt year after year. And, as a result, we will see throughout the country collective units replacing our fine family farms.

We, from this part of the country, want the government to put our small farmers on an equal footing with the big farmers. But the proposed policy in providing loans for minimum amounts only, eliminates the small farms, the family units. If until recent years, people managed to get a living from those small holdings, the problem is therefore not due to an inadequate production but to the inadequate prices paid for farm products. Let us therefore give our farmers a good price for their products, and we shall not have to deplore the fact that too many of our young people have to combine two jobs—woodcutter and farmer or, labourer and farmer—if they want to live on their farms.

With more profitable prices, we should not have to face an accumulation of loans, provincial and federal, which finally leads a man with debts for many years to come, and makes him feel a stranger on his own farm.

If the government has to grant loans to the farmers, let it be without interest, or simply with added carrying charges. Of course, our farmers should not be asked to pay interest on Canadian money, while our government grants loans to foreigners without interest.

There is an anomaly in the present loan system of the government which consists in asking for advance payments, called evaluation fees, when a farmer puts in an application for a loan.

That amount of $50 which the farmers have to pay is very often an unsurmountable obstacle for quite a few of them, because it happens but too frequently that an individual does not even possess the amount to be sent with his application. The result is that quite a few farmers cannot obtain loans because they have not the amount which the government asks them to pay. Moreover, when they are able to pay the required amount, what assurance have they that the loan will be granted? None at all, because it may be refused after their farm has been inspected.

Therefore, it is imperative that this anomaly should immediately disappear so that all, big or small, wealthy or paupers, may benefit from the same advantages offered by the statutes enacted by the government to better the lot of our Canadian farmers.

Mr. Chairman, the problems of our farmers are extremely serious, we should not treat lightly the urgent steps which must be taken on behalf of our agricultural community.

Our farmers always were and still remain the very basis of our economy. They are the ones who supply almost all the foodstuffs we find on our tables. We should not, in return, lead them to bankruptcy, and that is what will occur if the necessary steps are not taken to help them remain on their farms, whether they are large or small.

We thank the Minister of Agriculture for his efforts in increasing the borrowing power of the Farm Credit Corporation.

That measure would have been better if the government had taken care of our small farm units, so that each farmer in my constituency especially could keep on working the farm on which many generations have toiled to make it more fertile from year to year.

If the exodus of our farmers towards the cities is to be stopped, if agriculture is to be taken out of the quagmire in which it finds itself today, the ideas put forward from this corner of the house should be acted upon, that is, we should first find markets for our agricultural produce, set adequate prices and, finally, if it is necessary for a farmer to ask for a farm loan, let such a loan be granted without interest but at cost.

In my opinion, those measures would give our farming community the impetus it lacks now. Then farmers would remain on the farms and maintain the tradition of family farming which has always been the pride of Canadians.

Mr. Teillet: Mr. Chairman, I have only one or two minutes and I do not want to delay the discussion.

(Text):

I find so few occasions to be able to agree with the Minister of Agriculture that I should tell him that in this instance I agree with him that we have probably exhausted the time which could usefully be spent in debate at this stage. But I do want to make an appeal to him still to consider sending this bill to the committee on agriculture; and if he really means what he says, I would tell him that if he wants to consult on this matter and wants to do the best possible thing which can be done in this instance, I think we should be given that opportunity.

An hon. Member: Waste time.

Mr. Teillet: I was about to say that the minister today gave us quite a lot of statistics, and I for one would not even pretend that I was able to digest them in ten or fifteen minutes, particularly as he attempted to do the same thing last Thursday, I believe, with an eye on the press gallery and an eye on the clock, when he suggested to us that we should vote immediately at that time, after giving us two or three sets of statistics which he knew perfectly well, given ten minutes, we could easily destroy.

Mr. Horner (Acadia): Never mind the lecture.

[Mr. Boutin.]

Mr. Teillet: We have had a lecture for half an hour this morning, so you should not mind one for one minute.

An hon. Member: Not from you.

Mr. Teillet: Well, you are going to get it whether you like it or not. Mr. Chairman, I am trying to say to the minister, if he will give this question serious consideration, that we should be given the opportunity to discuss this bill in committee, where we can deal with all these aspects and the suggestions which have been made on this side of the house. If the minister really means what he said when he lectured us this morning, that he really intends to do the best he can for the farmers across the country, I do not see how he can say no to this request.

That is the only reason I got up at this time, but since my hon. friends across the way have seen fit to ask for a lecture, let me suggest something to them. The statistics used 25 years ago are no longer fit for today. It is like saying that in 1936, when we had a few less million people in this country, we should have eaten as much as 18 million people eat today. That kind of logic we have been accustomed to for many years from the Conservative party and are not surprised to hear it now.

An hon. Member: And today the dollar does not buy as much.

Mr. Teillet: Well, we will not discuss the dollar today; this poor minister has had enough to do with that and is probably in trouble with his colleagues now.

My purpose in rising is to make this last appeal to the minister seriously to consider this matter of sending this bill to a committee, where we feel we can give it adequate attention.

The Deputy Chairman: Shall the resolution carry?

Some hon. Members: Carried.

Mr. Pickersgill: No, Mr. Chairman. I have been waiting until all those people who wanted to speak about the farm credit aspect had concluded what they had to say in order to make a brief intervention to point out the fact that while we very much favour any improvement in farm credit which can possibly be made, we who represent fishing ridings feel that the same credit facilities should be available to fishermen as are available to farmers. In the case of the Farm Improvement Loans Act, there is corresponding legislation for fishermen under the Fisheries Improvement Loans Act, so that fishermen are on the same basis with respect to loans from the commercial banks, which are partly underwritten by the treasury. But there is no

agency of the federal government making direct loans to fishermen comparable to those made by the Farm Credit Corporation to farmers.

I know that the Minister of Fisheries and others have said on several occasions, apologetically, that there are various provincial agencies making such loans, implying thereby that there is no need for any federal agency. My reply to that is of course that there are lots of provincial agencies, including one mentioned by the minister this morning—that is to say, the one in Quebec which make loans to farmers. If this is the excuse for no action on the part of the government, it is not a valid excuse. Moreover, we know that in four provinces at any rate—and I refer to the Atlantic provinces—the credit that it is possible for those provinces to make available is very small, because of the financial situation and the taxable capacity of those provinces, and there is every bit as great a need for federal action for loans to fishermen, over and above those which are available under the Fisheries Improvement Loans Act, as there is for loans to farmers.

This discrimination is not appreciated by the fishing industry and by the fishermen. It seems to me, sir, that when we are considering whether it is expedient to introduce this legislation, I say yes, it is expedient to carry on with this legislation, but it would be even more expedient if the fishermen were treated in the same way as farmers are being treated. But they never have been so treated by the present government.

Mr. MacLean (Queens): Mr. Chairman, I should just like to add a word. I do not want to transgress the rules by speaking on another subject, but I should like to say to the hon. member for Bonavista-Twillingate that I think he will appreciate at once, with his keen mind, that the two situations are not comparable in all respects. This is not to say there is not plenty of room for improvement as far as development in the fishing industry is concerned, but as the Minister of Agriculture has already pointed out, a very high percentage of the loans to farmers under this legislation are for the purpose of purchasing land. This is the resource from which they produce food. In the case of fisheries the resource is in the public domain, even in the international domain, in most cases, and the fisherman has access to it merely by licence. I am sure the hon. member will appreciate that.

I should also like to point out that units of production are much more costly in the modern fishing industry. However, in that connection I would point out that this government is subsidizing the building of fishing trawlers to the extent of 50 per cent of their total cost. We are providing bait service in the eastern provinces, and we are subsidizing the building of smaller ships. This is not an appropriate subject for discussion under this act, but I should like to pursue it further when the estimates of the Department of Fisheries are being dealt with.

Mr. Pickersgill: I should like to make one very brief comment on what the Minister of Fisheries has said. We all know that the Minister of Fisheries is one of the members of the treasury benches who does not try to evade questions—and we all respect him for it—and who, when a matter of debate is raised, really tries to debate it fairly and honestly. I give him full credit on that score. However, I think the minister has forgotten one thing. It is quite true that the sea is open to everybody who can get there, but the only way in which a fisherman can fish is by having a boat. That boat is just as mortgageable—and I know this; I owned one once—as is a farm. It is perhaps more insurable in some cases than are some farms. It is precisely for the purchase of boats that this kind of legislation would be most valuable if it applied to fishermen.

Notwithstanding what the minister has said about the subsidy given to a certain type of trawler, the minister and I both know that the fishermen who need the loans most do not get that subsidy because they do not build boats of that size. Contrary to what the Minister of Transport said a couple of years ago before these subsidies were established, when he told us that they were going to cover all kinds of fishing vessels, when the regulations came out we found they did not do so.

However, there again, like the minister, I am going a little beyond the scope of this legislation. I will confine my remarks to one point, namely that the fishermen have every bit as much need, even if boats are partly subsidized, of loans to get modern boats as have the farmers for loans to modernize their operations, and there should be comparable legislation for that purpose.

Mr. Barnett: As a member coming from a constituency in which the fishery is of considerable consequence, I rise simply to say I find myself in sympathy with some of the remarks made by the hon. member for Bonavista-Twillingate. In view of the rules of relevancy, my only further comment at this time is that in the days when I was trying to persuade his former colleague from Coast-Capilano, who was then minister of fisheries, of the need for some of this sort of thing, I could wish that he had lent some similar eloquence to the subject at that time.

(Translation):

Mr. Roy: Mr. Chairman, this being my maiden speech in the house, I should like to congratulate you for having been chosen to preside over our proceedings. Indeed, you have filled that office in a most commendable way until now.

Since the beginning of the session we have heard quite a number of speeches. In my opinion, the members of the old political parties deserve some praise. They have some brains, there is no doubt about that, because they have succeeded in convincing the people, and the farmers in particular, that the present Farm Credit Act is advantageous to them even though it takes up all their savings.

The old political parties have reached the point where they are lending money to our farmers to enable them to pay the interest on the loans they have made to them.

Mr. Chairman, I am not against providing money to the farmers to improve their farms and to purchase the necessary equipment which will make their task easier.

I think it is the duty of this house to do all that is humanly possible to help them.

The farmer has always been the most neglected one and we seem to forget too often that the farmer gives our community more hours of work every day than anybody else. On the other hand, the farmer is always paid less than anyone else for his services.

I can understand that our farmers are willing to get into debts even more deeply, because they knew that in the near future they will have a Social Credit government which will see to it that their farm incomes allow them to pay off their debts and the interest thereon quite easily.

Mr. Chairman, I have the honour to represent one of the finest ridings of the south shore. I am proud of it. That riding is made up in part of farmers and workers who are the backbone of the community. They have been through quite hard times.

I have been a farmer myself till the age of 33, and I am proud of it.

As it is one o'clock, I propose the adjournment of the debate.

The Chairman: It being one o'clock, I must now leave the chair.

(Text):

At one o'clock the committee took recess.

[Mr. Barnett.]

AFTER RECESS

The committee resumed at 2.30 p.m.

The Chairman: Shall the resolution carry?

Resolution reported and concurred in.

Mr. Hamilton thereupon moved for leave to introduce Bill No. C-71, to amend the Farm Credit Act.

Motion agreed to and bill read the first time.

FOOD AND DRUGS ACT

AMENDMENTS RESPECTING CONTROL AND REGULATION OF CERTAIN DRUGS

Hon. J. W. Monteith (Minister of National Health and Welfare) moved the second reading of Bill No. C-3, to amend the Food and Drugs Act.

He said: Mr. Speaker, I should like to make a somewhat extended statement in moving the second reading of Bill C-3, an act to amend the Food and Drugs Act. I feel justified in doing so because of the circumstances which have led the government to put forward these proposals. I am referring, of course, to our experience with the drug thalidomide, an experience which hon. members will appreciate has been shared in greater or lesser degree by countries throughout the western world.

As a preface to these remarks I think it might be helpful to say something about the complexities involved in the introduction and marketing of new drugs and to outline our views concerning the responsibility of government in this process.

I hardly need remind the house of the remarkable advances made possible in medical science by the discovery and development of new drugs. With the advent of the so-called miracle drugs our health professions have been able literally to lift the horizons of medical knowledge and to bring about cures which only a few years ago would have been regarded as nothing short of miraculous. Examples are so numerous that I am sure all of us could testify to this fact from our own experience. Indeed, developments have reached the point where we take for granted that some pill or tablet will be available to relieve almost any ailment.

This whole process of drug advance is one of the greatest and most beneficial elements of modern civilization. But like any other aspect of human progress it is not without risk. Experience has shown that every drug, however innocuous it may appear or be represented, does possess some potential for danger to some people. Even the lowly headache remedy can be very dangerous and cause death in certain circumstances. In this sense then there is no such thing as a completely safe drug for everyone under all conditions

of usage. The word "safety" cannot be an absolute term but must be weighed against the value of the drug in relation to its known dangers.

When penicillin was first produced it was hailed as a drug of absolute safety and possessing miraculous curative powers. It has proved to possess these powers but it has also been found capable of causing death. While penicillin has saved millions of lives, many people are sensitive to it and cannot take it without great danger to themselves. The same holds true for the sulfa drugs. These have been responsible for miraculous cures, they have advanced medical science, but they have also exhibited serious side effects under certain conditions.

The point is simply this. In the case of any drug that could be mentioned, we are faced with a mixed picture. On the one side are the drug's advantages; on the other, its risks. There is always the problem of balancing these two factors.

In this context, what must be our position? Obviously we want Canadians to enjoy all the advantages of scientific discovery. At the same time, however, the risks involved cannot be avoided. Our aim must be to reduce these risks to the greatest extent possible, to minimize the dangers so that the balance will be strongly on the side of promoting health and not of compounding suffering.

This is our objective and our responsibility. It is a responsibility which the government has taken very seriously. But it is not a responsibility which any government alone can discharge effectively. Others must share the burden. Manufacturers of drugs, the medical profession, pharmacists and individual Canadians—all have an important role to play.

What then is the responsibility of government? In my view it is not to delay or deny the benefit of new drugs to the people of Canada. It is not to guarantee the safety of drugs which, as I have pointed out, can never be guaranteed. No, the responsibility of government rests where it always has in Canada and entails two related aspects.

First, we must introduce such legislation as may serve to minimize the risks involved in the introduction of new drugs to protect the people of Canada to the greatest extent possible. We must, by law, require that a manufacturer shall have done everything which is reasonable and proper in introducing a new drug. This involves quality control, exhaustive animal and clinical testing, and the provision of all possible information to the medical profession. That, as I see it, is our first responsibility.

Generally speaking, we feel that Canada's Food and Drugs Act is second to none in the world. Indeed, it is regarded as a model and has been used by the world health organization as the basis for comparable legislation in many other countries. We are deeply conscious, however, of the rapid advances in scientific progress and of the need to maintain legislation that will enable us to keep pace with these advances. The measure now before the house is a further indication of the desire of the government to provide additional assurances to the people of Canada that everything possible is being done in their interest.

The second responsibility of government, as I see it, is to maintain a staff competent to administer this food and drug legislation. The job of this staff is to provide adequate technical advice, to conduct analyses and tests of drugs, to do research directed to the improvement of our testing capability, and to carry out field inspection with a view to enforcement of regulations under the act.

As hon. members may be aware, many of the senior people in the food and drug directorate enjoy an international reputation for their competence in this work. Indeed, one or other of our top experts has been on duty with the headquarters staff of the world health organization almost continuously for a number of years. We value the services of these and the other members of the directorate and intend in every way possible to fulfil our responsibility in furthering the outstanding work which has been done in administering Canada's food and drug legislation. I might say we have plans under way to increase substantially the staff of the directorate.

I turn now to the question of thalidomide which I have indicated could be discussed fully at this stage in our dealing with Bill C-3. I do not propose at this time to enter into a lengthy review of how the introduction of this drug has been handled in Canada but I do wish to comment on some of the main points.

First, there was the actual release of the drug. I think there is no question in the minds of expert observers that the food and drug directorate had no reason to delay the release of thalidomide for sale in Canada. Thalidomide was first developed in Europe in 1953. It was widely used in Germany and I understand in the United Kingdom. In the fall of 1960 a new drug submission was filed with the food and drug directorate. The submission, which included many hundreds of pages of medical and scientific evidence, revealed that the drug had been extensively tested. It was recognized as one of the safest and most effective drugs that had ever been developed for its recommended use. Its recommended use was for the symptomatic relief

of insomnia. In Canada, at least, it was not recommended for nausea or morning sickness in pregnancy. At that time there was no hint of any significant side effects at all, let alone any association with malformations in children.

The material submitted was found to comply wholly with the requirements of the law and the manufacturers were so advised. On the advice of the prescription drug advisory committee, on which is represented the medical profession and the profession of pharmacy, the drug was placed on prescription. This meant that it could only be dispensed under medical supervision. The decision was in accordance with the general policy of the advisory committee to require all sedative drugs to be sold only under prescription.

The first indication of significant side effects associated with thalidomide appeared in the scientific literature after the new drug submission had been accepted. Information in this regard developed very slowly and it was not until the spring of 1961 that reports from Great Britain pointed clearly to a possible association of what is termed peripheral neuritis with thalidomide. Peripheral neuritis is a nervous disorder involving tingling in the hands and feet and is a relatively common side effect in the drug field. Evidence suggested that if administration of thalidomide was stopped at the first appearance of peripheral neuritis, the condition would disappear. Accordingly, the food and drug directorate concurred in a similar step being taken in Canada as had been taken in Great Britain, namely that the company would amend the information sent out to doctors by the inclusion of a specific warning with respect to peripheral neuritis.

I mention this aspect of the situation to highlight the fact that a warning to doctors is the usual method of alerting the medical profession to possible side effects in the use of drugs. This is the procedure followed in the case of all drugs with obvious effectiveness and has a direct bearing on development which took place towards the end of 1961. Before turning to these, however, I should like to re-emphasize that peripheral neuritis is not an unusual or unique side effect of drugs. In the spring of 1961, there was no evidence in the scientific literature of any possible connection between peripheral neuritis and phocomelia or malformations in children.

A second aspect of Canada's experience with thalidomide relates to the steps taken in early December, 1961, to warn doctors of a possible association of thalidomide with phocomelia, and to advise them not to prescribe the drug for premenopausal women pending further clarification. This was done as the result of reports received by the drug companies from West Germany indicating that a pediatrician in that country suspected the involvement of thalidomide in cases of phocomelia. The companies were not able to give any idea of the number of cases involved nor the extent of scientific evidence available to support these suspicions.

In view of this, the usual procedure was again followed. After consultation with the food and drug directorate, a warning was sent by each of the two drug companies to every doctor in Canada of this possible side effect of thalidomide. In this connection, I might point out that the cases of thalidomide-associated malformations reported in Canada during the past summer had obviously been the result of taking the drug prior to the first information of possible danger being made available to the government and to the medical profession early in December, 1961. No other course of action at that time could have prevented these cases. Up to the present time to our knowledge, there has been only one case of thalidomide-associated abnormalities where the drug could have been taken after the warning to doctors. We have made inquiries and are advised that the drug in this particular case was not obtained on prescription or with the knowledge of the attending physician.

All of us have the greatest sympathy and compassion for the unfortunate victims. When tragedy strikes a child or the unborn child, we are all particularly touched. But we have a responsibility to control our emotions and deal objectively and effectively with the situation.

The government has proposed to the provinces the sharing of the cost of special programs to assist these children. We have asked the provinces to undertake special investigations and we are co-operating with not only the provinces but also specialists in the field of rehabilitation to see what can best be done.

As announced in the house last April, I requested the Royal College of Physicians and Surgeons of Canada to establish a special committee to consider objectively and critically our procedures respecting new drugs. While I have not as yet received their report, I expect that it will be available in the near future.

In addition, last May, Canada took an important initiative at the world health assembly in Geneva. Our delegation initiated and co-sponsored a special resolution designed to promote greater international co-operation in the drug field, and particularly to secure regular exchange of information on the safety and efficacy of pharmaceutical preparations. As our experience with thalidomide has

shown, this is an area in which a great deal more needs to be done. The resolution was approved unanimously and has been referred to the director general of the world health organization for study, with the request that he report to the executive board of W.H.O. in January, 1963. Canada is represented on this board and proposes to press for action with respect to an international warning system.

May I now direct attention to the bill which is before the house. I wish to emphasize that this proposed amendment to the Food and Drugs Act does not in any way interfere with, or attempt to anticipate, the study being carried out by the Royal College of Physicians and Surgeons. Indeed, these two steps have been designed to dovetail as I will point out shortly.

Mr. Speaker, Bill C-3 is relatively simple in content and is designed to reinforce certain aspects of our drug control provisions and to furnish further clear authority in the interests of that control. It embodies three changes in our Food and Drugs Act:

1. it provides authority to impose additional controls on the distribution of drug samples.

2. it authorizes the prohibition of the sale of a drug,

3. and it emphasizes that new drugs require special consideration.

Before dealing with these changes, I might say that we have been concerned that nothing be done that will impede medical and scientific research in the field of drug therapy. It would be a great disservice to the people of Canada if any unnecessary controls were imposed in connection with the manufacture and availability of new drugs in this country. Therefore, this bill seeks to meet a double requirement—to avoid imposing unnecessary restrictions on medical and scientific research and, at the same time, to ensure that all possible safeguards are observed.

As I have mentioned, all drugs possess some potential for danger. Because of this, our existing legislation limits the distribution of samples to the medical, dental, veterinary, and pharmaceutical professions. It does not restrict in any way this distribution. Until now, such intervention was considered unnecessary. Experience, however, and particularly as reflected in the thalidomide situation, has indicated the desirability of imposing some restriction on this distribution.

In so doing, we do not, of course, intend to affect the right of a manufacturer to inform a physician of a new product or to deny him the right to make a new product available by way of sample. This would be an unwarranted interference with the professions and with the industry. At the same time, we do feel that some control or supervision should be exercised over the mass distribution of drug samples which physicians may know little about, may not want, and which may easily fall into the wrong hands.

We have had complaints from doctors indicating that they are receiving almost daily unsolicited quantities of drugs which they do not need and which are often discarded. This presents the immediate danger that such discarded drugs may fall into the wrong hands, and I understand that there are persons or firms who will take delivery of unwanted samples for the purpose of further distribution.

In view of this situation, we feel that the time has come when the sampling of drugs to the professions should be brought under some measure of control. The amendment now before the house seeks to provide authority to prescribe conditions under which sampling may be carried out. This will involve regulations. Our proposal is that the drug companies be required to obtain a signed request from members of the professions before a sample can be furnished. This type of control will not, in my view, interfere with medical practice or with the use of a drug in connection with the treatment of patients under a physician's care. It will, however, require the practitioner to exercise his judgment in requesting a sample and will prevent the present practice of unwanted or unsolicited samples being distributed.

I come now to the second portion of Bill C-3 which provides for the prohibition of the sale of any drug listed under schedule H of the Food and Drugs Act. The purpose here is to put beyond any shadow of a doubt the authority to prohibit the sale of a drug should this prove necessary. In this context, I might explain that the act defines "sell" as including sell, offer for sale, have in possession for sale, and distribution. We expect that this prohibiting authority will seldom have to be used and I can assure the house that it will be exercised only after the most careful consideration of all other alternatives. Certainly, it would not be proper to remove a drug from medical availability except in the most extraordinary circumstances. Before placing a drug on schedule H, we would wish to have the advice of the most competent authorities and would only take this action in the light of such advice. Similarly, a drug on schedule H could be removed under the authority of the act.

At the moment, two drugs are to be included under schedule H. The first is thalidomide which, of course, has already been withdrawn from the market in Canada. The other drug to be included under schedule H merits a word of explanation.

Lysergic acid or LSD as it is often called, is not to be associated with thalidomide because its purpose is quite different. LSD has never been on the market commercially but has been used experimentally in psychiatric treatment. It has been effectively controlled up to the present time through co-operative action by the manufacturer in consultation with the department. The patents which were owned by the manufacturer have now expired and there is the possibility that the strict controls may not be as effective in the future as they have been in the past. After consultation with the manufacturer, it is considered that the proper action to be taken at the present time is to put lysergic acid on schedule H.

Having explained our purpose in putting lysergic acid in schedule H, I should also draw attention to section 24 (1) (j) of the present act which provides authority to the governor in council to exempt a drug from all or any of the provisions of the act and to prescribe the conditions of such exemption. Under this authority, we would be prepared to consider a regulation which would exempt lysergic acid from complete prohibition to the extent that might be necessary to permit its availability under rigid conditions in a research program.

This could involve the drug being made available to certain approved institutions provided that its use were confined to purely experimental research and for the purpose of ascertaining further evidence respecting its value and efficacy. I might say that we have already received certain representations in this regard and we would be prepared to give consideration to an appropriate exemption to meet the needs of experimental research under competent auspices.

Hon. members may have seen in the press some suggestions relating to the possibility of thalidomide being valuable in cancer research. I might say that similar action to exempt thalidomide from absolute prohibition could also be taken in this particular research area if it should seem desirable to make it available for that purpose.

Turning now to the third item of Bill C-3, this as the house will note, provides authority to make special regulations relative to new drugs. While we have had authority in the legislation to make regulations in this field, the recent experience with thalidomide has, I believe, served to focus attention on this particular area. We have, therefore, thought it appropriate to separate the authority to make regulations concerning new drugs from the general regulation making authority. This is the purpose of the present amendment.

[Mr. Monteith.]

At this point, it might be useful for me to outline briefly the scope of the regulations regarding new drugs which have been in force for over ten years. These have required the manufacturer prior to the sale of a new drug to file with the department a submission containing all available information with respect to the drug—its properties, its dangers, its recommended use, and other facts which the manufacturer has obtained in connection with his preliminary research activities. This material is carefully examined in the food and drug directorate to ensure that the requirements of the regulations have been met.

The manufacturer's reports must, of course, refer back to experimental and clinical trials involving the drug. There are special regulations applicable to clinical investigation of a drug. If the directorate considers that the material furnished by the manufacturer adequately demonstrates that everything reasonable and possible has been done to investigate the drug, to find out its dangers as well as its benefits, to provide the medical profession with adequate directions for use, then the drug is considered to have met the requirements of our regulations.

In many cases, however, further information is requested, further tests required and there are new drug applications in the department at the present time which have been pending for many months and in some cases for years. After a drug is introduced, the directorate continues its interest in the product to ensure that the medical profession is kept advised of new information or evidence arising out of experience with its use. I might add that in the course of nearly 11 years, some 2,000 new drugs have passed through the screen of our new drug regulations and have been placed on the market in Canada with great benefit to Canadians.

In view of the current study by the Royal College of Physicians and Surgeons of our new drug procedures, I am not in a position at the moment to indicate what changes may be made in our regulations under this new authority. Certainly, we would wish any changes to reflect to the extent appropriate the recommendations which we expect may be contained in their report. I might say that we have been studying the new legislation recently introduced in the United States with respect to the introduction of new drugs. We have received from manufacturers useful information respecting their procedures in this regard. These also are being given careful consideration.

Our aim in all this, of course, is to come up with an improved procedure for the handling of new drugs. It is our desire that the regulations should embody the best features of drug control consistent with, on the one hand, safety and effectiveness, and on the other, with research and development. However, I must emphasize that regardless of the changes which may be made, we will never be in a position to guarantee that our procedures will wholly avoid the possibility of danger in the use or development of a new drug. There will always be risks and we will have to live with them if we are also to enjoy the benefits of new discoveries.

With this bill and the authority it provides to make regulations, we will be in the best position to deal with problems which will inevitably arise in the rapidly changing field of medical science.

I, therefore, take pleasure Mr. Speaker, in moving second reading of Bill C-3 which I sincerely hope will commend itself to all sides of the house. Just before sitting down, I might add that I have given some thought to the best means of ensuring that all the facts are placed most clearly before the house. My view is that after second reading we should proceed in committee of the whole house and see what progress can be made. If it then should become apparent that a useful purpose would be served by referring the bill to a special committee of the house, I would be quite prepared to go along with that procedure.

Mr. Martin (Essex East): That is what should be done.

Mr. H. C. Harley (Halton): Mr. Speaker, on rising for the first time to take part in a debate in this house I should like to preface my remarks by congratulating the Speaker and yourself on election to the offices you hold. The subject matter of this debate is one which is of special interest to me and because of the recent tragic happenings in the country I believe it is of interest to everyone in it.

I speak, of course, of the drug thalidomide and its consequences. First, I should like to place on record the schedule concerning thalidomide. Mine will be briefer than that given by the minister. This drug was developed in Germany and was first placed openly on the market there in 1957—I am reading from the Journal of Applied Therapeutics dated August, 1962. As the minister has told us, a 500-page report was placed before the food and drug directorate in November, 1960. In April, 1961, the drug was placed on the Canadian market, available on prescription from two to three drug firms. In November, 1961, there were rumours that the drug was associated with adverse effects. On December 1, 1961, this was confirmed, and officials of the Department of National Health and Welfare were notified. The manufacturing companies involved wrote letters on December 4 and 5 to all the doctors in Canada informing them of the reports from Germany. Further material was available in March, 1962, and it was requested that the drug should be withdrawn from the market on March 2, 1962. On March 5, the companies confirmed to the department that this had been done. On April 10, 1962, Dr. Morrell circulated all the doctors asking them to destroy or return any supplies or samples that they might have on hand. In July of 1962, Dr. Morrell again wrote the doctors asking them to follow up any prescriptions they might have written to make sure that no portions of the drug were still in the homes of patients.

The tragic circumstances are well known. As can be seen, the drug was first suspected of causing congenital abnormalities in December, 1961. However, it was not withdrawn from the market until March 2, 1962, an interval of three months. This is the area in which the government's responsibility must lie. This drug was known to be suspect early in December, 1961 and warning records were sent out to physicians; yet its removal was not effected until March 2, 1962, and the drug was still available for use until that time. I was pleased to hear the minister say that to his knowledge only one case had arisen during that period. But we wonder how many prescriptions had been issued. How can we tell how much suffering has been caused as a result of this three months delay?

This drug was withdrawn from the market in Germany, where it was first made, on November 26, 1961. It was withdrawn from the market in England on December 2, 1961. It was withdrawn from the market in Canada, on March 2, 1962. Here, we note that the country which first used the drug withdrew it from the market on November 26, 1961. Where were our communications, the communications between those companies, one in Germany and one in Canada, to warn us of these dangers? More than three months were to pass between the withdrawal of this drug from the market in Germany and its withdrawal from the Canadian market—three months of wasted time during which it might have been the source of further suffering and anguish to parents of these babies. It is for this interval of time which was allowed to lapse that the government must assume full responsibility.

It is unfortunate that our communications with regard to these matters are not faster and more effective. It is unfortunate, also,

that faster action was not taken in Canada when the danger signals first appeared. We must strengthen our legislation in order that suspected drugs may be removed quickly from the market by the food and drug directorate. As separate clauses of the bill are debated we shall have amendments to propose in these respects.

As the minister has stated, new drugs are being placed on the market with great frequency. We all know that the Sabin oral vaccine against polio has been withdrawn, perhaps with undue haste. However, we must remember that in our efforts to protect the people of Canada we must not slow down drug developments or, perhaps, delay a major breakthrough in the treatment of presently incurable diseases such as cancer. The major question raised is: how can we prevent similar occurrences?

Having considered the hon. gentleman's proposals, we are in agreement in principle with the amendments put forward. However, there are several omissions. We see nothing here to give the food and drug directorate the necessary power to remove drugs rapidly from the market. Moreover, an obvious loophole was pointed out during the question period the other day. Then hon. members became aware that deadly jequirity beans were allowed to remain on the Canadian market because there was no authority to prevent their coming into the country. We should have such power. A situation in which a potential deadly poison, unlabelled, is allowed to remain on the market because we cannot prevent it, should never arise.

I should like to suggest very strongly to the minister that in view of the technical and professional background necessary to understand the complex problems brought up by these amendments, the bill should be referred to a committee, as provided in standing order 65, either to the banking and commerce committee or to a special committee. If this were done, expert witnesses could be called, including representatives of the food and drug directorate, and these could be examined by the committee in order to throw more light on the circumstances surrounding thalidomide with a view to preventing further such tragedies. If this matter were referred, as I suggest, to a committee, a more detailed examination of events might take place. In addition, the working of the directorate as well as the meaning and effect of the proposed amendments could be studied. Only in this way can we see whether the proposed amendments are suitable to do what they are intended to do.

We have every sympathy for the food and drug directorate. They are trying to do a very large and important and life-saving job with a small staff and budget. We must do all we can to help them, to understand their problems and to provide them with legislation which will enable them to perform their necessary duties as efficiently and as quickly as possible. We must provide more staff for the work of the directorate. At the present time, no clinical testing is carried out by this body, and a decision in this regard is one which will have to be made in the future. At least, the department should play a more active part in the testing of new drugs. I suggest to the minister that he should consider placing a representative of the food and drug directorate as an observer in each of the drug firms, carrying out experiments in the use of new drugs. I am sure this could be arranged, and I am sure it would be welcomed by the drug firms themselves concerned. This person would be there as an observer to see that the work was carried out within the laws of the food and drug directorate. He would not interfere in any manner, but would be there as an observer rather than to partake in the experimentation. Again I would request the minister to refer this bill to a committee so that this aspect and all these other aspects can be studied.

I was interested to hear what the minister had to say about the drug lysergic acid diethylamide, or LSD, as it is commonly called. This drug was first used to produce mental diseases such as schizophrenia, and it was used in this manner to produce disease so that the people engaged in experimentation could try to find out more about the disease and how to treat it. At the present time this drug is being used in the treatment of alcoholism. I was very pleased to hear him say that there would still be a method by which these drugs could be used for experimental purposes, because there are many drugs available which are extremely dangerous but which, if taken properly and under the proper guidance, are very valuable. As an example, we all read in the newspapers about people taking what are referred to as "goof balls". We all know that this employs the use of barbiturates, one of the common drugs on the market, to produce the symptoms of alcoholism or related diseases. The minister has not suggested that we take barbiturates off the market; therefore I think we should be very careful, when we do take drugs off the market, to leave some method open by which they are still available for worth-while and experimental purposes.

In closing, Mr. Speaker, I should just like to ask the minister again to give very serious consideration to referring this matter to a special committee. This program which I have

outlined and talked about could cost the government a great deal of money. However, I do not think, and I think no Canadian would think, that the necessary moneys would be misspent in order to ensure that future generations of Canadians be of sound body and mind.

(Translation):

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I do not wish to speak at length on the matter, although it is very interesting.

In fact, I believe that the whole story of thalidomide as well as of many other drugs, proves that the government is incapable of treating the sick.

An hon. Member: What does that mean?

Mr. Marcoux: It means that, at the present time, the people of Canada rely on the Department of National Health and Welfare because they believe that inside that department there are all the technical services needed to ensure the rational use of drugs and forbid their use if they are dangerous. Therefore, the population relies entirely on a government system that has proved ineffective.

I understand that it can hardly be otherwise. I understand it but that is exactly why we, in the Social Credit, always say that it is dangerous to give the government too much power when it is known that sometimes it can be used with difficulty.

It is very difficult indeed. People talk about drugs, about the danger in the use of certain drugs, and they might as well talk about the danger in certain elements that we find in nature and that are not even drugs.

There is sodium chloride, fluorine, elements which it is absolutely normal to find in nature. There is also iodine and many others. But they must be used in a scientific way and in a way that can be checked not only by governments but also by individuals themselves.

So I think that this legislation, beneficial in itself, merely reflects a situation that does not exist only in the case of drugs.

Incidentally, may I say a few words about fluorine? It is a well-known fact that fluorine is an element of nature. It is well known that many people insist that fluorine be used in drinking water, so as to avoid tooth decay. However, no inquiry is made generally concerning the effects fluorine has upon the system as a whole. Sometimes the department of health informed us that tests had been made outside this country in this regard. Here, we were content, from what I know, to experiment on teeth and dentition. So, I wonder if that is not but another example of the chronic and customary incompetence of a government agency.

Naturally, I fully realize that this amendment may and should help to minimize the risks contained in any drug.

It is also known that certain other drugs are being used, as the hon. member for Halton (Mr. Harley) said a while ago. He referred to goof balls or barbiturates. Opiates could also be mentioned, as well as various other drugs, even digitalis for the heart. Used thoughtlessly, those drugs may be just as dangerous as thalidomide or LSD.

That is why I agree with the hon. member that we ought to study in committee everything that could be achieved through the Food and Drugs Act concerning the Canadian manufacture of such products, in relation to the colleges of physicians and surgeons of Canada and the colleges of pharmacists.

I noticed a while ago that the minister said that we know of at least one case where the drug was used after the notice of withdrawal of the drug had been given. He told us that it had been taken without prescription, without the knowledge of the attending physician. I think we could find many more examples of this example, if I may put it that way—

Mr. Rouleau: That is a repetition.

Mr. Marcoux: It is a repetition that underlines the first word, I do not want to accuse the pharmacists but one knows that some will sell drugs without prescription just because they feel they know enough to determine in which case a drug should be taken and in which case it should not be. I know personally of such cases, cases where some pharmacists sold drugs without prescription.

I think that what the minister discovered when he withdrew this drug from the market should give him a lead as to other investigations that should be undertaken on other drugs. I think that if likewise some doctors act in an unethical way, the same thing applies to some druggists.

I read that the number of thalidomide pills which were distributed in Canada, much exceeds the total quantity distributed in all Europe since the discovery of this drug. Per-

sonally, being a physician, I cannot understand why Canadian physicians should prescribe considerably more than those in the old countries.

I am still wondering whether there has been evasion in the distribution of this drug used especially by pregnant women.

I recognize that in governmental organizations the procedure to be followed is slow. I agree it is very beneficial.

I remember reading in the British Medical Journal for two years about the beneficial effects of butazolidin, in cases of rheumatoid arthritis, that drug was supposed to have such phenomenal effects that I wanted to use it myself. Yet I had to wait for two years before the national health and welfare department decided to authorize that drug and I believe it was wise, because drugs can often leave secondary effects, and the government did not want to take any chance. But there remains the undeniable fact that it takes ages.

Earlier we were told that two thousand drugs were examined in 11 years. In some cases authorization to use is very long in coming and sometimes the drug involved is considered harmless. But in other cases, things happen very fast, nobody knows why.

I am not here to proffer charges, but in my opinion, some cartels muster enough power to use coercion, if not on a government, at least on some civil servants. I am referring to them today because we deal with health and drugs, but I cannot help thinking that those remarks could apply to various other fields.

I should like to take this opportunity to talk about certain firms which sell more cheaply products known by what is called generic names. It is said that these firms can sell cheaper because they do not have any research laboratories. Obviously, those companies do not have such laboratories. However, the large firms, the monopolistic firms, the international corporations show in their budget enormous amounts, to be used for experimental studies, in order to protect the public. I wonder if the sums affected to that research are adequate and if they are not used rather, in some cases, for advertising purposes among the doctors, the pharmacists and the hospitals, in order to promote the sale of their drugs. Here is another example that supports our views when we, Social Crediters, say that we must reach a happy medium.

I have nothing against the quality of the monopolistic companies nor against that of the firms which sell generic name products, but, in my opinion, the government should be more flexible, it should restrict the former and help the latter perhaps a little more. We are all aware of certain investigations that have been carried out. It has been said that profits are excessive and that large amounts of money are being spent on experiments. I believe we should link the one with the other.

Somebody mentioned a little while ago certain drugs used against cancer and which should not be withdrawn completely from the market because of their beneficial effects. That is true. But on the other hand, we know that the use of those drugs for the cure of certain diseases is precisely the cause of cancer. The fact has been proved.

Mr. Speaker, the authorization of a drug is a very serious and most important matter. That is why, in my opinion, we should not leave it for the government to decide alone because we have already had a sample of the fact that a government cannot always meet the needs of the people.

In conclusion, there is a point I would like to stress, that is the widespread impression among the public that it is always safe to follow the advice of the minister of national health and social welfare. Caution might not be useless at times.

I am thinking about phocomelia, a disagreeable and extremely painful experience not only for parents but especially for the children, the babies who were born crippled.

As I was saying a while ago, I feel that the drug companies which claim to spend fortunes on the testing of their products, should cooperate with us to give some financial assistance for the care of such children.

Excuse me, Mr. Chairman, for not having read a written statement, as did the members who spoke before me; still, I believe I have covered the subject pretty well. I noticed that the phrase peripheral neuritis was mentioned. All drugs have secondary effects, and that is quite unavoidable. The question always remains whether the favourable effects are more important than the unfavourable ones. That is the only criterion upon which a drug is to be judged. We know that there are lethal

doses also, called minimum mortal doses which must be taken into account. On the other hand, we must not expect that a drug will hardly ever have any secondary effects.

The amendment to the act is very acceptable. The government wishes to provide further protection and that is very commendable.

In my opinion, we should follow the advice of the hon. member for Halton (Mr. Harley) and study in committee, not only the bill but the drugs themselves as they are offered on the general market, in order to provide doctors with the proper advice.

I hope that the Food and Drugs Act will make for a longer and healthier life for Canadians.

(Text):

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in my view the most important thing that has been said thus far during the debate this afternoon is the announcement of the minister that it is the government's intention to increase, and I hope considerably, the size of the staff that works in the food and drug directorate. I believe the number of those who have had to consider 200 new drugs a year for the past 10 or 11 years can be counted on the fingers of one or two hands. If blame is to be attached to what has happened in connection with thalidomide, in my opinion the blame to a large extent rests on the fact that not enough people have been employed in this extremely important section of the Department of National Health and Welfare. This matter was not part of the bill. It was an announcement which the minister made as he was introducing the bill. I welcome that announcement as much as I welcome the bill itself.

I also welcome the tentative offer made by the minister to refer this bill to a committee. I noted the way he put it. He suggested that first of all we go into committee of the whole house after second reading has been given and that after debate in that committee we decide whether the bill should be referred to a standing or special committee of the house. I have no objection to our taking a first run at it in committee of the whole house but I want right now to join with the spokesmen for the other two opposition parties in saying that at some stage I think the bill definitely should be referred to a standing or special committee of the house.

I believe we should have the opportunity to have witnesses before such a committee from the medical profession, from the drug companies, from the general public and others who are concerned and interested, not only so that we can get the benefit of their advice and assistance but so that we can ask some of these people, particularly the drug companies, some questions about their procedures and about their part in the thalidomide tragedy that we have experienced in this country. I therefore support very strongly the insistence of the last two speakers that this bill at some stage, and I think the sooner the better, go to a standing or special committee of the house. When I asked the minister on the second day this house sat whether this might be done I noted that he was not prepared at that time to make the commitment he has made today but I welcome the offer he has now made.

Since at this point I seem to be commenting somewhat favourably on things the minister has said, may I also say that I agree with his introductory remark to the effect that in this whole field the government has to find a middle course, has to strike a balance between protecting the public against the dangers of new drugs and making it possible for the benefits of new drugs evolved by scientific research to be made available to our people. I fully recognize the very fine line that there is between these two areas but it is an extremely important one and, if I may go back to what I said when I first rose, this is one of the reasons I am glad there is to be an increase in the staff working in this important field.

The house, I am sure, will support this bill unanimously. We do so because we are glad to feel that something is being done to prevent a recurrence of the thalidomide tragedy. I have a tremendous respect for the people who work in the Department of National Health and Welfare in all its branches and divisions, and particularly in this branch. I have already indicated that if there was blame, if there was negligence in this story, it is largely because we have not provided enough people to work in this important field. But I must say that in my view there is blame that the federal government must bear for this tragedy. The history of it has already been cited in part by the minister and in part by the hon. member for Halton (Mr. Harley) so that I need not give again all of the various dates; but I would suggest that there is a tremendous responsibility on the government for the delay from December, 1961 until April, 1962. The hon. member for Halton referred to March as the time when the drug companies withdrew thalidomide, but it was not until April that the government acted to the extent of withdrawing the permission that had been given some months before for the distribution of the drug.

It is that delay from December, 1961 to April, 1962 that I think is most unfortunate and for which the government has to bear a great deal of blame. I know that one of the

arguments the minister puts up is that the act at that time or as it still exists did not provide the kind of authority to withdraw this drug from the market that it will have after Bill No. C-3 has passed. But, Mr. Speaker, it seems to me that the action that was taken by the government in April, 1962, of withdrawing the drug from the market is an action that could have been taken in December, 1961. There was no change in the statutory provision in that period of time. It was only because in the meantime so much publicity had been attached to this subject that the government could not delay action any longer.

In the meantime, as the hon. member for Halton has pointed out, governments of other countries took action. In the meantime there was the action that had taken place in the United States where, by reason of the activities of a certain Canadian born scientist, the drug had been prevented from going on the market at all. I am refraining from making the remarks about this distinguished lady that should be made on the floor of the House of Commons because I think they would come more properly from my colleague, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron), from whose constituency Dr. Frances Kelsey came. I just mentioned this in passing to indicate that in other countries, in departments comparable to ours in other governments, there was the kind of vigilance that resulted in the withdrawal of this drug at an earlier date or in preventing it from going on the market at all.

I say, Mr. Speaker, that this is a tragedy that has hit this country, and even if the minister in giving statistics suggests that the number of pregnant women who took the drug between December, 1961 and April, 1962 is very small, this is nevertheless something for which the government must bear responsibility. However, I welcome most wholeheartedly, as I say, two things. The first is this bill which will increase the government's control over new drugs and the second is the enlargement of the staff of the food and drug directorate so that things of this nature may not happen again.

I must also say, without wanting to rethresh old straw, though I do not think this session can go by without the matter being dealt with in the house, that many Canadians regretted very strongly the first statements that were made by or attributed to the Minister of National Health and Welfare (Mr. Monteith) when it became apparent that a number of Canadian babies would be born deformed because their mothers had taken thalidomide. I refer to the minister's first reported statements to the effect that if there were such deformed babies their care and the extra cost connected with looking after them would not in any sense be a federal responsibility. As the minister knows, these statements were protested very strongly by a number of us who are now members of this house. They were protested editorially right across the country. Perhaps this is another indication of the advantages of a free society such as ours because, as a result of these protests, within a few days the minister was making a different type of statement. He was doing it in the time honoured way. He was denying he had said what he was reported to have said a few days before, and was indicating something would be done. This "something", by the way, was the calling of a conference of the representatives of the Department of National Health and Welfare and the provincial representatives from the departments of health right across the country.

I was a bit surprised that the minister did not give us a report on that conference during his remarks on second reading. I will give him the benefit of the doubt and assume he is going to give us a report on that conference when we get into committee of the whole or before a special or standing committee of the house. I was glad that at that conference the federal government did make an offer to the provinces to share with them any costs that might be faced by the parents of thalidomide babies, the costs that might be faced by the children themselves as they grow up. This is certainly a lot better than the minister's first reported statement, that the only thing he could see by way of federal aid for these babies was that at the age of 18 they might qualify for assistance under the Disabled Persons Act. Those were two or three sorry days during which the minister was saying these rather harsh things. However, that period has passed.

Mr. Monteith: Reported as saying, if you do not mind.

Mr. Knowles: All right, I will put it that way. However, he was reported so effectively that the editorial writers of newspapers favourable to the government felt the statements had been made and needed to be corrected. At any rate, they have been corrected and we now have the fact that the conference was held and that an offer has been made to the provinces. I hope that at some point in the debate on this bill we will get a report on what progress has been made in the negotiations between the federal government and the provinces in terms of financial assistance

to make life a little better for these victims than might otherwise have been the case.

I suggest that when we are talking about financial aid to assist the victims of thalidomide we should think not only of the babies themselves and of the years ahead of them to childhood and adulthood, but we must also think of what this has done to the parents in some cases. I have here amongst the papers on my desk—but I do not intend to pick it up or refer to it because I do not want to give the name—a letter from the father of a thalidomide baby. In the letter, the whole tragedy is spelled out. The letter reaches the point where the father tells me that on such a date the baby died. The next sentence says, "I am now fighting for my wife's sanity."

The point I make, Mr. Speaker, is that financial assistance may be necessary not only for the children themselves but for the parents and families who have been through this tragic experience. As I say, I hope that at some point in this debate we will get a statement on what has been done in this field. I am sure that all Canadians will want the government, in the name of the Canadian people, to assume its full responsibility for these people.

I had one letter from a person who saw a press report of something I had said about this matter and expressed concern about asking the government to pay the extra costs for these thalidomide babies. This particular correspondent said to me, "I don't mind your taking this stand if you want to but I wish instead of saying the government should pay this extra cost you would say the taxpayer should pay it so it will be clear that is what you are asking for". On that basis this particular correspondent said, "I don't think I should be asked to pay for the mistakes or negligence of the government." Like other members in this house, I try my best to win a case with a correspondent, even if he disagrees with me. I took the liberty of writing back to this correspondent and commenting on his point of view. I said to him something to this effect: Some tragedy could befall you or some member of your family and if you had to pay for it yourself it could result in your having to mortgage your entire future. I pointed out that if that tragedy or that mistake were in any sense the responsibility of the government, we could all, including me, pay for it as taxpayers, probably for a few cents each, and that I would rather it be done that way.

Well, we do not always win arguments with our correspondents quite so readily as I seemed to do in this case. At any rate, this gentleman who had opposed my stand in the first place that federal money should be used for this purpose wrote back to say he did now agree. I cite that case just to support my contention that I believe Canadians from coast to coast will support any expenditures that are necessary out of public funds, whether federal or provincial, to see to it that these victims, the children themselves, their parents or families, are assisted in coping with the results of this tragedy in the best way that is possible.

Despite the onus that I have deliberately placed upon the government, Mr. Speaker, for what has happened, despite my insistence that public funds, federal or provincial, should be made available so far as necessary, I think we must also recognize the responsibility of the drug companies in a tragedy such as this. The minister, in the document that he had his department prepare for the thalidomide conference that was held in August, does spell out the efforts of the drug company at one point to get permission to have this drug marketed, even when the drug directorate was going slowly on it. The whole point that the minister makes is that there is a responsibility on the drug companies as well as on the government. In this respect, I agree with the minister. I think this is one of the reasons that this bill should go to a standing or special committee, so that we could have representatives of these drug companies before the committee, not only to give us information and advice for our assistance in deciding whether or not this bill goes far enough, but so that we could question the representatives of drug companies as to their part and their performance in this whole story. In fact, I think it will add up to a clear realization that they should put up substantial sums of money to help the people who are victims of this mistake.

As a matter of fact, the whole question of the profits the drug companies made out of marketing these hundreds of new drugs every year, out of the gullibility of the public as the minister said for a pill to deal with any ailment, is something which I feel calls for a very thorough study. If I thought that the report of the restrictive trade practices commission on the inquiry conducted by that commission would cover this whole question, one could of course wait for that. However, I suspect that is not the case, that that report will be more in line with the terms of the Combines Investigation Act. In other words, it will be more on the question of whether or not there is a combination amongst the drug companies to fix prices. I think we should be inquiring as to the practices, procedures and motives in bringing new drugs on to the market. We should be inquiring into the profits that are made out of standard

drugs and out of new drugs so we could form some opinion in the committee as to whether we could improve this bill, whether or not the drug companies have a financial responsibility to the country as a whole, to the people that make it possible for them to make the huge profits that they accumulate.

As I have already said, my colleague the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) will have something to say about a very famous person who was born in his constituency. I do not wish to deal with that, other than to say that it seems pretty clear it was not just an accident that in some countries they stopped the marketing of this drug sooner than we did, and that in other countries they completely prohibited the marketing of it. From my reading of the story in various publications, it seems that they had more facilities in other countries to do this than was the case here. In saying that I do not place blame on the particular individuals in the food and drug directorate. We must simply face the fact that there were not enough of them.

As I understand the situation, there are five, six or seven people whose job it is to decide on 200 or more new drugs each year, and if many of the manufacturers make submissions covering over 500 pages, as was the case with thalidomide, it is a wonder these people are able to do their job at all. Nevertheless, there must have been more vigilance and more staff in other countries, and I hope that will soon be the position here.

A number of us wish to put questions about some of the details in the sections of this bill but perhaps we had better wait until we deal with the bill in one committee or the other. The minister has commented on the things that the provisions in this bill provide. In that connection some of us were a bit concerned about what was happening to LSD, but the minister's statement has given us reassurance that he is trying to have regard to the things he mentioned at the commencement of his speech, in other words that he is trying to protect the public against anything that is dangerous and yet at the same time not deny to the public any benefit of scientific research that should be made available to it. We can go into this more fully in the committee stage.

All I wish to say now is that on our behalf we welcome the bill. We are glad to see the procedures being tightened up, thus enabling the department better to control the putting of new drugs on the market and to require more tests than has been the case in the past. I am still puzzled how it was that the government found it possible to withdraw permission for this drug in April but could not find it possible to do so in December. At any rate that sort of thing is being improved by this bill. We welcome it and we hope the attention brought to bear on this incident will prevent further tragedies of this kind.

I support wholeheartedly the proposition that this bill should be examined by a standing or special committee so that we can get the benefit of advice and information and decide where blame and responsibility lies, and then take those steps that will ensure this sort of thing will not happen again. In conclusion I repeat what I believe to be the case, that I think Canadians from coast to coast will want to see everything that is necessary and everything that is possible done, no matter how great the cost, to assist the victims and the families who were involved in the unfortunate thalidomide tragedy.

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, thalidomide is no longer the name of a drug; it is the name of a tragedy that forces one to think of the accidental deaths of hundreds of children across Canada every year.

In a discussion involving drugs we should spend a few minutes in retrospect reviewing objectively new drugs that have been introduced over the last 30 years in this country. No one will deny that millions of people now living owe their lives to those drugs, yet doctors use drugs that are indispensable every day in practice, and which are life saving, even though many such drugs cause side effects and even death in the case of a susceptible patient.

I can recall the drug sulfanilamide when it was first introduced. In fact I remember using it. It was a drug designed to kill the dreaded streptococcus germ, and I recall erysipelas and puerperal septicemia and a host of other diseases which were killing in their effect. When this new life saving drug came out, overnight these diseases were conquered, but the reactions caused by the drug were such that some patients died from the drug itself. I recall very well one lady who was a friend of mine, who got over her infection, which probably would have killed her anyway, only to die from the side effects of the drug; and unfortunately there were too many cases like that.

We must always assess the good done against the harm done, lives that are saved against the lives that are lost by the use of drugs. Naturally drugs are not used that cause severe side effects for very long.

Many of us recall the breakthrough that came very dramatically with the discovery of penicillin. The first case I used it on was that of a young man who was dying of pneumonia. We had to use the drug every three hours

in a watery solution. It was terrifically painful but its discovery was one of the great breakthroughs in medical history, and I may add in passing that the man treated with it got better. A host of diseases were met and conquered by this drug. I can particularly remember one of those diseases, lobar pneumonia, most of the victims of which were strong, virile people between the ages of 15 to 24, and when men died from it in many cases they left their families without any provision at all. Yet that drug overnight cut the mortality rate of that disease from 20 per cent to less than 3 per cent. In other words we saved 17 more out of every 100.

In this disease the economic factor was also startling because most of the people struck down by it were in the prime of life. Many of them had small families, but yet this great drug can and does occasionally kill, by side effects, the very people it is intended to save. It can cause distress and sickness but the good it does far outweighs the harm.

I have seen aspirin reactions on a couple of occasions that were very violent; yet anyone can go down to the corner drug store and buy aspirin over the counter. People have died from the side effects of it. At this point I wish to refer to an article I picked up the other day referring to a report in Australia where the C.M.A. compiled a list of dangerous drugs. The article states:

> This time, it was for phenacetin, a pain-killer element in many headache powders and tablets sold widely in Canada without prescription.
>
> Australia placed phenacetin on a prescription-only basis after 53 deaths in a Sydney hospital in a two-year period were linked to kidney damage caused by over-use of the drug. Sweden put phenacetin medicines on a prescription basis two years ago.

I repeat, Mr. Speaker, one can go into a drug store at any time and buy that drug. The point I am making is that if we took all drugs off the market which cause reactions of one kind or another we would doom millions of people to premature deaths. Let us always remember that the physician in daily practice prescribes drugs which could cause death in a susceptible individual. To recapitulate: the ruling out of all drugs which cause reactions of one kind or another would be impossible. It would doom millions of people to premature death, and the economic loss to a country such as Canada would be staggering. The cost would be not only loss of life, but suffering, disease and disability. The doctors and those in allied professions would be reduced to a status not much superior to that of the witchdoctors. Medicine would deteriorate and decay.

All reputable drug firms try to establish the side reactions which any drug may cause. It would be disastrous for them to do otherwise. They spend millions of dollars on developing drugs and testing them in animal laboratories and then on controlled human beings so that the product will do the job as advertised without serious side effects as far as possible. If the drug is not as reported, not only will they lose their investment in it, but their reputation as well. I recall one drug which was taken off the market—and there are numerous drugs taken off each year. This was withdrawn after a report from a well-known and established clinic. After further study, however, it was found that this drug was so useful and so life saving that it was put back on the market, bearing on the label the possible side effects which had been noted. We may say, then, that all drugs are checked and rechecked before being marketed. The manufacturing companies must do this because their financial life depends upon it.

It might be opportune to compare our system with the system which operates in Russia where there is state control and where quality control by policing via an external inspection system has been a failure, I learn. In one report it was stated that 112 drugs were tested, 75 per cent of which were found to be substandard. This would indicate that the responsibility must remain with the people who make the drugs and who depend upon its success for a living.

The particular drug in question was checked in England and admitted for sale. Merrell and Company checked it and were the distributors on this side of the water. In all, they submitted a 500-page brief, plus four years of testing and two years of widespread use in Canada. The product was admitted under the Food and Drugs Act on prescription only as a tranquilizer and sedative. At this time there were 20 million tablets a month being sold in Germany and over six million a month in the United Kingdom. Some time late in 1960, cases of peripheral neuritis were noted and recommendations were made later for the discontinuance of the drug if neuritic pains were present or persistent. As has been mentioned by the Minister of National Health and Welfare, many drugs do cause neuritic pains. It was about this time that an increasing number of deformities in babies was noted in Germany, and at a meeting in Bonn this subject came up among the doctors, several of whom had noted this increase. As the subject was discussed it became evident that many of the deformities were of a particular type, arms often being like seal flippers and legs shortened, there often being a flattened face and a birthmark on the forehead. It has been known for some time that mutations occur from viruses. A good example

is German measles. Other causes include radiation, drugs and accidents during pregnancy. This was, and is, about the height of our knowledge.

As the cases became increasingly numerous, studies were made, and it is interesting to note that at one point one of the investigators almost decided that drugs had nothing to do with the deformities. Then, accidentally, thalidomide became suspect. By this time nearly 5,000 deformed babies had been born, with a 50 per cent mortality. Britain has between 600 and 700 suffering from various degrees of deformity.

From the research work done, it appears that the drug propably exercises its damaging effect in the second month of pregnancy. Is thalidomide alone responsible for the increase in deformity at birth? No one really knows at the moment. What we do know is that everything medical science can do for those little unfortunates must be done—and orthopedics offers a lot more today than it did a few years back. We must give these little children a chance to live and strive in this world with their handicaps. Above all, we must educate the parents to accept them—and this must be done in a world whose moral disabilities are much greater than all the physical disabilities from which it suffers.

To summarize: This drug was brought out as a sedative and tranquilizer, and that is the only use it had. There were no ill effects from it on that basis except a little neuritis. It was brought into Canada on November 25, 1960 on a prescription basis only. I think we should take note of this, because thalidomide is still in use, I believe, in England on a prescription basis in the hospitals. On April 1 it was noticed that some people on the drug had developed peripheral neuritis. Nothing had been definitely established in the literature as to this.

On October 11, Horner of Montreal advised discontinuing the drug if neuritis persisted. On November 20, 1961, sources in West Germany stated their suspicion that this well-known sedative and tranquilizer might be the cause of malformations. On November 26, 1961, the Grunerthal Drug Company withdrew the drug in Germany. On November 28, the West German minister of health announced that thalidomide was suspected of being the main factor in phocomelia.

On December 1, 1961, Horner and Merrell met with Dr. Morrell of the food and drug directorate here in Ottawa. I want to say that Dr. Morrell is a man with 32 years of experience and a man who is well known across Canada for his sagacity. On December 7, 1961 each company mailed out warnings to druggists, to doctors and to hospitals not to give this drug to pregnant women or to premenopausal women. I think we should remember that this drug was also sold in Canada on a prescription basis. The situation is altogether different in Germany and in England, where it is sold as a counter drug. I think we must keep this in mind in the assessment, and that doctors use drugs every day, as I pointed out, which are not only life saving but can kill as well.

Now, how will you place responsibility on this drug? The type of deformity may help you a little and indicate the drug. Everything possible should be done by this country to raise those little children to their maximum performance. It is interesting to note that, as we go back and read the literature in this particular case, in Germany radioactive fallout was currently thought to be the cause of all this trouble, until the drug thalidomide was proven to be more than a casual acquaintance. I think they are things we must keep in mind.

Are there other factors concerned? Every manufacturing firm will check and re-check as far as research knows. Perhaps this tragedy of today may put us on the road of research which will stop growths and other diseases; and the tragedy of today, and the price that these little children and their parents will pay, may turn this after all into a triumph for medical science. I feel sure that Bill C-3 will increase the surveillance of, and care and caution with drugs, particularly when those drugs are new, but also with older drugs. Because, as I said before, we have the case that aspirin and phenacetin can now not be bought in Australia or Sweden except on prescription. New drugs will perhaps be tried out in institutions under close observation for their results and side effects, and all the knowledge from those studies made available to an international body or pool.

World science today is reaching such a stage that we must not only pool that knowledge but must take the knowledge we can use so that it will be made available to all the countries of the world who want it. After that is done there should be a pooling of this information which should come from careful study and observation in our hospitals where the drug has been tested out by the firms involved, and as I stated before they have their financial lives at stake.

They have their reputations at stake. I know of no stronger deterrent to a good performance than that. After they have done all this research work, it should then be turned over to a group of doctors in a hospital, where closely observed studies will be made of the clinical response to this drug

in a controlled group. Then after that is done, this information should be pooled and made available to an international body. The minister of health has been able to avail himself of the work of a committee appointed by the college of physicians and surgeons, in the persons of Dr. Dufresne of Montreal, Dr. Sellars of the University of Toronto, and Dr. Brien of the University of Western Ontario. They are now studying the whole problem. They will make suggestions for the better control of the whole problem, which proposals can be added to existing regulations. In conclusion, I want to congratulate all levels of government, federal and provincial, on their attitude of doing everything within their power to help those little unfortunates.

Mr. J. E. Walker (York Centre): Mr. Speaker, although I do not have the technical or medical qualifications of some of the previous hon. members who have spoken, my interest and participation in this thalidomide tragedy through which we have gone in this country was, I believe, one of the earliest. At the outset I should like to bring to the attention of all hon. members of the house what I had the privilege of saying in my maiden speech when I was speaking of the thalidomide tragedy. I said at that time that "this whole affair is too personal a grief for the thalidomide families for any party in this house to attempt to use it in any manner as a weapon with which to pound the government, and I suggest that anyone who would endeavour to do so would bring upon himself the disgust of all decent people". I regret, Mr. Speaker, that the hon. member for Winnipeg North Centre (Mr. Knowles) felt it was necessary to take what I feel is a retrograde step in this whole tragedy and go back to the place where we were last July, when public utterances were made by some people who were not personally acquainted with this tragedy, and attempt to find out who was to blame and leave it at that.

Mr. Speaker, I believe that at this time I should put on record some of the things which happened as far as I personally was concerned, and recount the efforts I made on a bipartisan basis, which met with some success owing to the fact that they were made on a bipartisan and non-political basis. I think it is time to put some of these things on record so that at no time in the future will any hon. member of this house feel that this tragedy can be used as a springboard for criticism in what I consider to be an unfair manner.

As far back as July 29 I wired the Prime Minister, having been brought in personal touch with the thalidomide tragedy through constituents of mine, a young couple who were one of the first victims in the Toronto area, I believe. I wired the Prime Minister and said:

> Urgently request your direct interest and intervention in thalidomide babies tragedy. I have personally investigated one of these cases in my constituency of York Centre and am convinced, beyond a shadow of a doubt, that immediate and continuing measures for the correction of this developing tragedy is a national responsibility. Young mothers who, in good faith, used this government-approved drug must of necessity look to that same government for assistance. Without attaching blame to anyone, let us now all accept the fact that a mistake has been made and proceed to correct it in so far as material assistance can do so. The parents of these babies have a lifetime of special care and responsibility in helping their child fit into a world of physically whole people. The rest of Canada through its government can help in a number of other ways. I suggest that the government take the lead in immediately organizing small regional committees of volunteer doctors, drug company representatives and national health officials to arrange and carry out, on a permanent basis, clinical treatment and rehabilitation care for these babies. I will make myself available in any capacity in which you may feel I can be of assistance.

I received a reply from the Prime Minister and I came to Ottawa. I cannot be accused of being uncritical of the government in other areas. However, I am happy to report to the house that the Prime Minister made it possible for an immediate meeting with the minister of health at which time I presented a brief on some of the things that I felt might be brought up at the conference of health officials from the various provinces. It is on this level that I feel we must deal with the thalidomide business. I would hope that we have now heard the last of the talk of who is to blame and of what happened back in July. I hope that those who have just agreed with my last remarks may agree with my future remarks. I am still pressing for the government at the national level to take the full, final and ultimate responsibility to see that the program of rehabilitation will be carried out as the prime responsibility of our federal government.

In my brief which I submitted to Dr. Cameron who was convening the provincial and federal welfare officials meeting I made reference to the following points, and I should like to put them on record:

1. The assurance that the national government will lead and direct, with the co-operation of all concerned—including the drug companies involved—a national plan of assistance, care and rehabilitation which will be greeted with a sigh of relief by the growing number of confused and frantic parents.

2. Only the national government has the power, strength and authority that may be

necessary to ensure the co-operation of the involved drug companies in an adequate participation in the program of assistance on a long term basis.

3. Only at the national level can the victims of thalidomide be assured of equal and standard treatment in all parts of Canada. Only the dominion government has the power to ensure that every one of the stricken children, whether born in a big city or in a Newfoundland outpost, receives all the help that science can provide.

4. The early acceptance at the national level of the responsibility of being the prime mover and leader when a national program of assistance will halt the growing public panic, deep personal distress and political controversy.

5. The acceptance of national responsibility will relieve the mental anguish of doctors as well as their patients, and mothers whose babies are yet to be born.

6. Parents of thalidomide babies know what the future holds for them by way of special devotion and care, as well as a lifetime of heartache on behalf of their child. They must be assured that society will relieve them of the additional burden of years of calamitous medical expense and hospitalization, to say nothing of future educational responsibilities. The national government is the best agency to assure them of the continuity of this assistance.

7. Only the national government can assure that thalidomide babies are not dealt with as welfare cases. Some of the parents of these deformed babies are middle income wage earners. They must not be faced with financial screening or a means test that will strip them of any financial resources they may have. Neither should they have to look to charitable institutions and fund drives for assistance. These parents are the unwitting custodians of the consequences of a national crisis. This is an entirely different matter than other cases of malformation in birth. If the latter is termed an "act of God" then maybe the thalidomide cases can be termed an "act of man".

8. Let no one ever forget that doctors and pregnant patients alike have grown accustomed over the years to accepting the national government stamp of approval as a guarantee of the safety of all products so approved. If this was an erroneous conclusion, then I believe it is up to the government through parliament to see that this impression is corrected. As far as drug administration is concerned, it is publicly accepted that the national government, which administers the act, must logically assume the consequences of that administration.

[Mr. Walker.]

The suggestion that a bad precedent would be set if the national government took prime responsibility for thalidomide cases is invalid. I submit that suggestion is invalid, Mr. Speaker, because the thalidomide disaster is an unprecedented situation. Surely we can look forward, as I believe we shall be able to do with the changes that may be made in the drug act, with some comfort to the thought that the thalidomide tragedy will not be repeated.

In the year ended June 30, 1962, the net profits of Richardson-Merrell Inc. Drug Company rose to $17,250,000 from the previous year's profit of $17,025,000. A substantial annual contribution to assist in relieving the disastrous effects of one of their products could very easily be set aside from such profits or from their massive advertising budget.

I may say that I have spoken to a number of doctors in connection with this matter. In the competitive drug market I know it is necessary to promote and to advertise. However, in case the drug companies are not aware of it, I should like to tell them that many hundreds of dollars worth of their advertising material goes in the wastepaper basket in the doctors' offices. I believe that hon. members who have had the opportunity of speaking to their own family doctors will agree with this statement. Possibly some of this money could and should be used and included in the national government's program if they will become the prime mover in this thing.

I also felt that national government leadership would do away with any possibility of jurisdictional disputes at some future date between provincial and municipal administrations. Suppose a parent who has a thalidomide baby now in one of our provinces, by virtue of the fact that the father gets a job, is obliged to move to another province. Suppose province "A" gives assistance to thalidomide victims. Suppose they have a program under which the federal government is contributing, I understand, 50 per cent of the cost. However, suppose this Canadian must move to another province which may not have such a participating scheme. This is one of the things I should like to suggest to the minister that he must take into consideration when we are thinking in terms of this overall program of assistance for the thalidomide babies.

As a result of the programs that the various health officials from the provinces are working on, I understand they are coming together again some time fairly soon to have their talks with the federal health officials. I am hopeful that the minister will feel that this is the time, at these coming talks, to go into

the points covered in my brief, and with the support of the government officials, once again bring to the attention of these provincial health officials the possible flaws in the operation of some of the plans that are now being worked out in the provinces. I am also hopeful that he will put forward the view that I believe most citizens of this country feel most hon. members take, namely that there must be some way of assuring the co-operation of the drug companies involved in some type of annual participation in this program. I know there are constitutional difficulties.

I know there are difficulties in persuading people to do certain things, but I submit to the minister that public opinion at this time may well be standing behind any recommendations he wishes to make to this coming meeting with regard to drug company participation in the expense of a rehabilitation program.

I have one further thought to present and I mentioned this in my maiden speech. I referred to red tape and the government moving slowly. It certainly does not add to my impatience to see how slowly these things move but I should like to say that in my own province the provincial officials are doing a very thorough job in connection with this matter. With regard to one case in which I was particularly interested I have now been informed by the health officials that the child is to go to the hospital on November 15 for the beginning of these treatments. I understand that it takes time to do this thing thoroughly and properly but the machinery is beginning to operate. I again wish to leave with the minister the thought that the responsibility for the ultimate success of this program rests at the federal level and it is only with the federal government acting as the prime mover and taking the ultimate responsibility that we can assure the success of our program for the thalidomide victims.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am sure I share the view of all members of the house that it will be with great relief and satisfaction that the people of Canada will greet this legislation after the thalidomide tragedy of last summer. I do not wish in any way to prolong the debate or to delay the passage of the bill. My purpose in rising is to call attention to and to pay tribute to the services of an outstanding lady in this thalidomide tragedy. I refer, of course, to Dr. Frances Oldham Kelsey of the United States food and drug administration who is a native of my own constituency on Vancouver island and of whom we are extremely proud today. The painstaking care with which Dr. Kelsey examined the medical reports from overseas and the stubborn courage and determination with which she resisted pressures to permit the drug to go on the United States market saved countless thousands of American parents from the tragedy that unfortunately befell some Canadian parents and many European parents.

The President of the United States has recognized Dr. Kelsey's outstanding services in a recent investiture and I think it only appropriate that we in this house should record our pride in the outstanding services to our American neighbours of one who is a native daughter of Canada. We can perhaps only regret that the opportunity did not exist at that time for a person of similar capacities to perform a similar service for the people of Canada.

(Translation):

Mr. Georges Valade (St. Mary): Mr. Speaker, before talking to this very important bill, I would like first to express the gratefulness the members of the medical profession feel towards the staff of the food and drug directorate.

In my opinion, that measure should not challenge the qualifications and the efficiency of the members of the directorate who have given eloquent proof of their interest and loyalty when it comes to protecting public health, within the Department of National Health and Welfare. In my opinion, the minister (Mr. Monteith) administers the affairs of his department with dispatch and efficiency.

Mr. Speaker, while studying this bill, we think of course of the tragedy that resulted in the birth of deformed babies, and especially of the mothers who have been the victims of that drug known under the general name of thalidomide. Thalidomide has been a source of great sorrow in more than one Canadian family. Therefore, I am sure that the people and the members of this house offer them publicly their sympathy, with the hope that better days are in store for them in a near future.

We must also congratulate the Minister of National Health and Welfare for taking immediate steps in order to give to the families which have suffered from the effects of that drug, some security, or, at least, some financial help which they have the right to expect. The minister shows once again that under his leadership his department is run in a competent, prompt and efficient manner.

The use of thalidomide has been a tragic experience in Canada, but especially in many countries of Europe.

You all know as well as I do, that absolutism in the field of drugs is a utopia and that secondary reactions of a drug are positively established only after continued clin-

ical tests. In fact, it is only through clinical tests in live bodies that we can positively establish the pathological and physiological effects of any drug.

Naturally, the medical profession was warned that a secondary effect called peripheral neuritis was reported in certain countries after that drug had been used. However, there was some doubt as to the relation between its secondary effects and such an unqualified statement. It is this uncertainty which made it impossible for medical authorities, the various departments and health organizations to establish positively without delay that peripheral neuritis was caused by the use of thalidomide.

As I said earlier, Mr. Speaker, there is nothing absolute about the drug. To achieve an absolute pharmaceutical synthesis of a drug, it must pass a series of tests at the hands of pharmaceutical chemists, bacteriologists, pathologists, and several other scientists who can, thanks to their knowledge and competence, determine the circumstances in which any drug can be safely used.

When a new drug is put on the market, the public must be sure that its use is safe or, at least that everything has been done to ensure that consumption is safe. That is precisely the point on which we must insist. This unfortunate business about thalidomide should not be discussed in such a way that the public will lose its confidence in drugs, doctors and specialists in related fields.

It is well known that before being put on the market, a new drug must undergo clinical tests, which are technically known as "in vitro" and "in vivo". In addition, the Department of National Health and Welfare must establish regulations governing its use to protect public health.

Bill C-3 which is before us today and which has a four-fold object aims exactly at ensuring almost total security for the Canadian population, in regard to the use of drugs.

This bill, Mr. Speaker, first tends to restrain a too easy distribution of drug samples, as was formerly permitted in the act. Such a distribution of drug samples offered a danger. As a matter of fact, drug companies sent to a doctor or to several of them, on one or on many occasions, large quantities of drug samples which evaded the control to which every medical prescription is submitted. And the druggist—I know from experience because I am a member of this profession—the druggist, who was himself subject to a strict supervision could not control the drug samples freely distributed on the drug market.

Now this act which forbids the uncontrolled distribution of medical samples affords better protection to the people's health.

The second object of this bill is to give the government, and more particularly the food and drugs directorate, the required authority to prevent the sale of certain drugs. Such authority did not exist under the former legislation and that was the cause of frequent puzzles and headaches for those who were interested in the medical and pharmacal professions.

Therefore, I am happy to see that the department has granted the directorate such authority which will enable it to take immediate action to prevent the occurrence of a situation similar to the thalidomide crisis.

The third object of this act is to authorize the enactment of regulations governing the introduction of new drugs.

This section in the act is very important because it deals specifically with drugs similar to thalidomide which might have escaped the control of medical science. Under this section, the government authorities have absolute control on any new drugs put on the Canadian market.

The fourth object of the act is to increase the number of drugs which might be completely banned. Such a complete list allows doctors, pharmacists, veterinary surgeons, dentists and all other members of paramedical occupation to know what drugs are prohibited on the Canadian market. The existing situation is a source of trouble for those professionals, because they must determine whether a given new drug can be prescribed under the existing system.

Mr. Speaker, the risks of drug therapy are well-known. All those who are interested in medical and para-medical professions know it. Anyway, thalidomide is not the first drug which has caused trouble or mishaps when applied. You will remember that in 1937, when the sulpha drugs appeared on the market, there were some secondary effects which caused the death of a certain number of people in this country, and I would even say to a rather considerable number of people. Those effects were due to the crystallization of the sulpha drugs in the kidneys which, while impeding their function, caused the patients' death, as a secondary effect.

Yet, the drug was not withdrawn from the market at that time, because, while having pernicious secondary effects, it could also bring considerable relief in some cases of grampositive and gramnegative infection.

Mr. Speaker, there was, also in 1940, the introduction of penicillin, the benefits of which are not to be doubted. Yet the use of penicillin also brings about secondary reactions which in some cases have noxious and sometimes even lethal side effects.

You are surely aware of the rapid evolution of the new and modern antibiotics, among which streptomycin came out in 1946, corticosteroid and aureomycin in 1949. All those drugs belong to a modern medical service which relieves the patients and heals some of the most resistant infections and prevents death. Those drugs also considerably shorten the convalescence period and frequently prevent secondary reactions which might drag out a patient's convalescence for the rest of his days, if he had not taken those wonder drugs.

Mr. Speaker, can the government be held responsible for the effects of thalidomide? I say, like every right thinking person, that the government may not directly or indirectly be held responsible for such a situation because, as I said, those drugs have no absolute effect. Even if they are submitted to a rather rigid control, nobody is able to guarantee an absolute effect, when it is a matter of drugs.

The government may not be held morally responsible, because the required clinical tests are entrusted to responsible medical bodies, to scientists who take all the necessary precautions, and the findings of their research are submitted to the directorate of foods and drugs in Ottawa.

Mr. Speaker, the hon. member for York Centre (Mr. Walker) has shown a great deal of objectivity in his contribution to the discussion, and especially when he haid:

> In the present discussion, there is no room for statements based on partisanship.

Mr. Speaker, as the hon. member sits in the opposition, I ask him to state unequivocally, for all those who want to hear it, that there is no room for partisanship in this unfortunate situation. That is why I have tried to be as objective as possible.

Mr. Speaker, the drug companies referred to a moment ago deserve the gratitude of the medical and paramedical world for the efforts they have made in the field of research and development of new drugs.

In a report entitled "Facts about pharmaceutical marketing", which I suggest hon. members should read, I find the following on page 10:

(Text):

> A study of mortality tables for North America over the past 20 years is indicative of the more obvious benefits of modern pharmaceuticals. For pneumonia, the mortality rate has dropped 61 per cent; rheumatic fever fatalities have declined 41 per cent; appendicitis 76 per cent and the combined mortality rate for tonsillitis and pharyngitis has gone down 66 per cent. Bacterial endocarditis, a heart infection, once inevitably meant death. Now, through massive doses of penicillin, many people who previously would have died are walking around living healthy, happy, useful lives.

(Translation):

Mr. Speaker, I would have many more remarks regarding this bill, but I agree with all previous speakers that every essential point has been covered.

I am most happy about the introduction of this bill by the Minister of National Health and Welfare and I hope it will meet with the approval of the house.

(Text):

Mr. Speaker: Shall the resolution carry?

Mr. Malcolm MacInnis (Cape Breton South): Mr. Speaker, not being familiar with the rules I am just wondering about the procedure. I should like to speak briefly for five or ten minutes on the bill, and I am wondering if we will have the opportunity to continue the debate on Monday next.

Some hon. Members: Five o'clock.

Mr. MacInnis: Mr. Speaker, may I call it five o'clock, or do you prefer that I start my remarks on the bill?

Mr. Speaker: With great deference neither you nor I have any choice. It being five o'clock we shall now pass on to private members' business—public bills and then subsequently private bills.

DIVORCE

MEASURE TO MODERNIZE DISSOLUTION AND ANNULMENT OF MARRIAGE

Mr. Arnold Peters (Timiskaming) moved the second reading of Bill No. C-12, to provide in Canada for the dissolution and the annulment of marriage.

He said: Mr. Speaker, parliament has been continually and incessantly involved in this particular matter of social reform both in a practical and philosophic way for a great number of years. Many new members may

wonder why parliament is involved in this matter of divorce to the extent in which it is, and I believe a very short historical résumé would be in order.

When the British North America Act was passed the jurisdiction for marriage and divorce was given by constitution to the federal government, and at the time of confederation those areas which were provinces already in existence were able to carry with them the laws that were in effect at that time in Great Britain. This means that most of our provinces carry the laws that were in effect in Great Britain before 1867. It also means that one of our provinces, Nova Scotia, has more liberal grounds for divorce than those in the other provinces of Canada because of an experiment tried in Great Britain at the time of the granting of colonial status to the province of Nova Scotia. This gave to Nova Scotia the ground of cruelty as a cause for divorce in addition to that of adultery. This provision has not been used to any great extent over the years, but it has been applied in a number of cases in that province.

At the outset may I say I am pleased with the fact that our group has grown over the last few years, and we are now completely united in our efforts to see that this social injustice being perpetrated on the Canadian people will be discontinued. Our chances of achieving this are much better in that the party to which I belong is pledged to seeing that the abuses which have taken place in this social field will be eliminated to the extent which parliament considers itself capable of so doing.

Mr. McCleave: They must be planning to hang you then.

Mr. Peters: I do not think the members of our caucus are planning to hang me, as some hon. member has said. This is farther from the truth than has been the case over the past years. Actually what I am saying is that there are not just two people interested in this problem. All the members of the caucus in the New Democratic party are interested in it and are going to press for the removal of the injustices now taking place that are the responsibility of the federal government.

Before discussing this particular bill it might be interesting to note that there are solutions to the problem. Solutions have been implemented over the years by other people in other countries. Suggestions have been made and accepted, with the result that most of our sister commonwealth nations within the last 10 to 15 years have developed much more satisfactory codes to meet the conditions of the modern age in which we live, much more satisfactory than what we have in Canada.

If hon. members look at the bill which I have on the order paper I believe they will find it meets needs of today that are not being met by the present legislation of the federal government.

An article appeared in *Chatelaine* in April 1961, which I should like to quote. It was dealing with this matter of divorce, and the hypocrisy of divorce in Canada, and referred to some of the suggestions I have incorporated in this bill.

It stated that the reason the Peter's bill was not passed by the last parliament was because I was a member of a minority party in opposition to the government, and therefore my private member's bill did not have a chance. However, the electorate have now taken care of that matter. Not only am I a member of a minority party but the government of today is a minority government. The minorities, in my opinion, can afford to unite on this very important social matter which affects the lives of many of our citizens in an individual sense, and which affects the laws of our land in their relation to men, women and children who are affected by this particular social problem.

One of the great advocates of change in divorce legislation was Sir A. P. Herbert, the English barrister who as a member of the United Kingdom House of Commons in the thirties managed almost singlehandedly to bring about reform in the United Kingdom. He said:

> More importance is attached to ten minutes of fleshly infidelity than to three years desertion or a lifetime of cruelty.

That statement is as applicable to Canada today as it was to Britain 30 years ago. Our refusal to widen the grounds for divorce causes misery to thousands of Canadians.

Speaking on the subject before, I have always pointed out that I did not agree that in broadening the grounds for divorce in this legislation we were really extending the grounds beyond any which exist at the present time. The Senate, with whom we work as partners in these proceedings, has a set of rules governing the granting of divorces. However, people could come before parliament and be granted a divorce at any time on any grounds. Rather than line up in the corridors of the Senate and be directed by their counsel as to what to say and what not to say, they could appear before the representatives of that august body and tell them exactly why they did want divorce and why they thought it should be granted. It would still be within the power of parliament to grant them divorce on exactly those grounds. The present procedure only follows the rules of a committee set up to give guidance; it is only in this way that we have

arrived at the single ground of adultery as being the single admissible ground for a divorce petition.

It is interesting to note those who oppose the recognition of what might, in fact, be the real grounds for granting a divorce have always said that any extension of the grounds is a bad thing in itself. For this reason it would be interesting to read from the statement made by Lord Birkenhead in the United Kingdom House of Commons when this subject was before that body prior to the amendments which took place in 1920. This was on the second reading of the matrimonial causes bill:

> It is proper that I should make plain at the outset what is the attitude adopted by the government in relation to this bill. On this point their view is that, upon a subject which so much perplexes the conscience of individuals, it would not be proper that the government should give such direction as is afforded by putting the government whips in charge of the division. Therefore, all members of the government in the house, and if the measure should so far proceed as to be considered in another place, in that place also, will be free to speak and to vote in accordance with their own views.

I highly commend that suggestion to the government of the day and to hon. members supporting all political parties represented in this house. There is a great deal to be said for bringing the individual conscience into this matter, particularly when there are those present who know of the flagrant abuses which are taking place in Canada today.

Lord Birkenhead, speaking later on of certain views which Lord Gorell adopted, quoted a paragraph written by the latter and contained in a submission made in a report, by a commission, to the government of that day. In that report Lord Gorell had declared on behalf of himself and the majority of his colleagues:

> —that divorce is not a disease but a remedy for a disease, that homes are not broken up by a court but by causes to which we have already sufficiently referred, and that the law should be such as would give relief where serious causes intervene, which are generally and properly recognized as leading to the break-up of married life. If a reasonable law, based upon human needs, be adopted, we think that the standard of morality will be raised and regard for the sanctity of marriage increased. Public opinion will be far more severe upon those who refuse to conform to a reasonable law than it is when that law is generally regarded (as we infer from the evidence) as too harsh, and as not meeting the necessities of life.

Lord Birkenhead then went on to describe exactly the conditions and attitudes which he believed stood in the way of desirable changes in the divorce laws.

> The real controversy in this house today is what the real controversy has been at any given moment for 350 years when divorce has been discussed in this house; and if we strip away the rhetorical devices with which every one who has followed the history of this subject is familiar, it is between those who believe that marriage ought to be indissoluble for any reason and those who do not hold that belief. This is the only controversy on principle. You can create any number of controversies on points of detail, but the only controversy on principle is between those who, if they told you openly and plainly that which they thought and that which they would secure if they had the power, say that for no reason should matrimony, which is a sacrament, be dissolved, and those who do not share that view.

He went on to say, speaking of two people in particular who were opposed to the changes suggested at that time—and, of course, these included the prelate, the Archbishop of York—

> I have no doubt that both of them, if at this moment, they had the power to turn the clock back, would restore the law to the condition in which it was over 300 years ago, and would enact that on no ground whatever should marriage be dissolved.

Later in his speech, Lord Birkenhead goes on to deal with the history of divorce and the attempts made to introduce reforms. It is interesting to note that adultery as the sole ground for divorce originated early in the nineteenth century in Great Britain, not because this was a popular thing or an unpopular thing; it was simply in order that the very rich might be able to take advantage of the provision. I think the point has validity here in Canada where it is possible to buy a divorce very easily if people have enough money to meet the requirements of the day, though because of the limitation of our laws many factors which a social worker, for example, might regard as highly undesirable are not taken into consideration.

Lord Birkenhead went on to mention the problems confronting King Henry VIII, the procedure governing divorce in the seventeenth century and the limitations which have always been placed on the common people. Legislation was being provided for the rich, he said, while no relief was being offered to the poor. He did not accept that. He accepted, as we do, the principle that divorce should be available to all who believe in it, but that it should not be forced upon those who did not.

I find it interesting, in this regard, to note that many of those who have come before parliament to seek divorce during the years in which I have been here expressed the view that although they were of a faith which did not believe in divorce they were able to make use of our present proceedings because they were of the opinion that such decisions were to be taken by the individual in full knowledge of the many pitfalls his action would involve. It is not only the British house of commons which has had to give consideration to this matter. Australia has

changed its divorce laws, and so has New Zealand. Great Britain has recently changed its laws again.

With regard to the bill before the house, I take little credit for proposing the individual clauses. They are clauses which in my opinion would apply to Canada as they have applied, and are being applied, to the laws of our sister commonwealth countries, and are the result of the deliberations of committees of, and studies which have been made in, those countries. I believe we have respected those opinions, which would be different from mine, and have given to the individual all the protection that a court and this house would be able to afford him.

I think it is interesting to note some of the editorials on this topic. In the days when they were changing the laws in England, in the early twenties, the Anglican church took a certain position. But since that time both in England and in Canada these positions have changed. Many of the churches have met together and agreed that, in the social field, a great step forward should be taken to allow for the complexity of society as we know it today, and the problems which probably did not arise when the canon law originally applied. I think it is interesting to refer to an editorial which appeared in the *Globe and Mail* and was reprinted in the *Northern Daily News* on August 31, 1961, concerning a convention which was being held by the Anglican church in Kingston, Ontario. This editorial, in part, said:

> The Anglicans' concern over the hardships caused by a church canon which many of their number consider outmoded reflects a growing demand for divorce reform in this country. Their practical and reasonable attitude toward change should set an example for parliament, which has consistently failed to face the realities of divorce and by its inaction has perpetuated the kind of hypocrisy the Anglican clergy has recognized and will endeavor to eliminate.
>
> At every session, regardless of what government is in power, Parliament shamefacedly sets itself up as a divorce mill to rush through divorce petitions from Quebec and Newfoundland—the two provinces without divorce courts—that have been shunted along from a Senate committee. A year ago, in answer to widespread criticism of this practice, the government promised some reforms, but these turned out to be merely a rejuggling between the house and the Senate of a responsibility that properly belongs to neither. The obvious and sensible course of removing divorce from parliament and placing it where it belongs, in a federal court, was once more rejected.
>
> Hypocrisy was added to inefficiency when, early this year, a man was sentenced to five years in penitentiary for giving perjured evidence in a divorce case before a Senate subcommittee. Everyone, including parliament and the courts, knows that thousands of Canadians have perjured themselves to obtain a divorce. They have done so because in most provinces only adultery is accepted as legal ground for divorce.
>
> The final responsibility for divorce reform rests with parliament. First it should cease to act as a court itself, then should introduce the overdue legislative reforms that will recognize other grounds for divorce in addition to adultery—for example, desertion, cruelty and incurable insanity. Nothing less will end the dishonesty that tends to bring parliament into disrepute.

Mr. Speaker, only recently the *Globe and Mail* carried a further editorial. I have chosen the *Globe and Mail* in particular because of its adherence to the point of view of the government in most matters, and because I think it would carry more weight with the present government of the day. It is the hope of this newspaper—no, I will not read that, it is complimentary.

Mr. Speaker: Order. I regret to advise the hon. member that the time allotted him has expired.

Mr. E. M. Woolliams (Bow River): Mr. Speaker, I am very happy to follow the hon. member for Timiskaming. I think last time the bill was before the house I had the opportunity of speaking following the hon. member in question. I want first of all to congratulate him on his presentation and on the general aim and purpose of his bill, but I should like at the outset to take issue with him on two or three facts.

I am one of those—and I say this with sincerity and with a sense of humility—who belong to two bar associations, and I have often heard it said that most of the divorces are granted by collusion. Or, as the hon. member said today, you can buy a divorce. I have been practising now at the bar for 20 years and have talked to a lot of lawyers who have made a specialty of divorce law. I have handled a lot of cases myself and have talked to judges on the bench in Saskatchewan, in Alberta, and in other places in Canada. I do not think that divorce can be bought in this country. Second, although there may be cases of collusion—and I will deal with that—I do not believe that the percentage figure of collusive cases often mentioned by the hon. gentleman in the far corner, who is presenting this reform bill with regard to divorce is as high as he likes to maintain. In fact, I would say that there were very few collusive cases.

I admit, we all admit, that it is sometimes difficult to prove adultery, which in most jurisdictions is the only grounds for divorce. At least, there are other grounds, but that is the ground on which most petitions are based. But I come back to the fact that it should be remembered that the lawyers who belong to the law societies of this country are officers of the court, Mr. Speaker, and as officers of the court have certain responsibilities. They have to interview their clients and they have a good idea what the evidence

is, and can generally screen them before they come before the courts. As an example, when a lawyer petitions for divorce on behalf of his client, there is a duty upon him, if the petitioner has himself been guilty of adultery, to disclose that fact to the court, because there is a discretionary bar against the granting of a divorce if the court wants to exercise its discretion accordingly.

I have read newspaper and magazine articles charging that most of our divorces are based on collusive evidence. When the hon. member talks about buying a divorce, I certainly do not buy that statement in any shape or form. But I do go along with the hon. member on this point, that if it is right to have a divorce law at all in Canada, then it is right to have the kind of law which will enable the people of this country to obtain a divorce with dignity, compassion and justice.

Therefore, I should like to break up my address this afternoon into three parts, but before I do so I should like to put this premise before the house. I think you have to look at this question carefully, because as everybody knows it is rather a hot potato in this country, a country of different cultures and different religions. Even in our bill of rights, which was introduced by this government and which was always a matter very dear to the Prime Minister, it is spelled out that we should have freedom of religion. In fact, this freedom was granted to the people in this country even before it was granted to the people in Great Britain. Therefore, first of all we must respect other people's viewpoints. It depends whether you look at the matter from an ecclesiastic viewpoint and whether you say that marriage is a holy union based on the law of God, or whether you say that it is a legal, civil contract. Some people feel that there should not be any divorce at all, that divorce should not be granted by any court or parliament or any other body. But I say in all sincerity that if we are going to have a divorce law in this country it should be the kind of law which will serve the individual with dignity, compassion and justice.

Therefore, as I say, I want to break up my address this afternoon into three parts. First of all, if divorce is right at all in Canada—and I go along with the hon. member in this regard—then we need reform by extending the grounds of divorce. Second, we should do away with having these divorces come before parliament and the other place; I agree with that. Third, the question of jurisdiction, which is based on the domicile of the male spouse—there are some exceptions to that which I will deal with in a moment—should be changed. But I come back to my original premise that, if it is right to have a divorce law at all in this country, it should be a law which will serve the individual in this country.

When you analyse it, it is not a new problem. All countries have had this problem. All civilizations have had to face this problem where man and wife have united in marriage and difficulties have arisen. You have only to read chapter 24 of the book of Deuteronomy, and I referred to this the last time I spoke on this bill. This question is dealt with in the Holy Book itself as follows:

> 1. When a man hath taken a wife, and married her, and it come to pass that she find no favour in his eyes, because he hath found some uncleanness in her: then let him write her a bill of divorcement, and give it in her hand, and send her out of his house.
>
> 2. And when she is departed out of his house, she may go and be another man's wife.
>
> 3. And if the latter husband hate her, and write her a bill of divorcement, and giveth it in her hand, and sendeth her out of his house; or if the latter husband die, which took her to be his wife;
>
> 4. Her former husband, which sent her away, may not take her again to be his wife, after that she is defiled; for that is abomination before the Lord; and thou shalt not cause the land to sin, which the Lord thy God giveth thee for an inheritance.

So that when we look in the Old Testament we find this was a problem in those times; so it is not a new problem, and certainly not a new problem in Canada.

I agree with A. P. Herbert, who was one of the great reformers in Great Britain who fought for reform of the divorce law, and who based his argument exactly on what we are talking about today, when he said that if divorce is right at all the grounds should be sane grounds in the sense that they serve the average individual in the country. I think he draws a pretty good example on this question at page 17 of the book to which my hon. friend in the corner referred, "Holy Deadlock".

At page 17 he states as follows:

> Very odd. And yet the wise and pious state took no trouble at all to prevent the young man from making the mistake, to impose delay between the decision and the fatal step. A decree of divorce was not made absolute until six months after the wise judge had decided that there ought to be a divorce—for fear the wise judge might have made a mistake. But there was no decree nisi for marriage: the foolish young man could tie himself up for life seven days after he had made his decision by walking into a register office and filling up a form or two. Very odd. All those laws and regulations to prevent a man from eating the wrong things, drinking the wrong things, seeing the wrong pictures, reading the wrong books, working in the wrong way—but nothing at all to prevent a man from marrying the wrong wife.

Or put it vice versa. I suppose what he is saying is briefly that the law will forgive you for any error, particularly if you are a

minor. You cannot enter into most contracts if you are too young. But if you enter into a contract of marriage, then the law says that except in certain circumstances we will disregard, you cannot make a mistake. Coming back to the point of A. P. Herbert, M.P., he was a great reformer and finally brought about reform in this subject in 1937 in England when the grounds for divorce were extended in the way mentioned by my hon. friend in the corner of the chamber.

Now I should like to mention something else, as I was rather enthused by an argument which was presented by one of the Social Credit members the other day who said that probably the place to start reform or to get it started was by amending the B.N.A. Act in its application to divorce and make divorce a provincial responsibility. That might be the place to start. I do not know. But in respect to jurisdiction, there is no question as to what the jurisdiction is. I am pleased to read from a book of an old friend of mine from Calgary. I refer to no other than W. Kent Power, Q.C., who has now passed on but who was a very distinguished member of the law society of Alberta and whose book has been used as a reference in all jurisdictions in Canada. It is known as "The Law of Divorce in Canada". He was a top constitutional lawyer and in his opening chapter he says this:

> Only the dominion parliament can legislate in relation to the substantive law of divorce. Exclusive jurisdiction over the subject was assigned to parliament by the British North America Act, 1867, sec. 91 (26)—"Marriage and Divorce." Therefore, no provincial legislature or delegate thereof can enact a divorce law where, as in Quebec, none exists, or interfere with the substantive provisions of the law now in force,—

Then he goes on to point out in this chapter, and I have not time in which to read it all, that the law existing in Britain at the time of confederation became the law of some provinces in various fields. For example, we adopted the divorce law, the Matrimonial Causes Act of Great Britain, in Saskatchewan and Alberta when we came into confederation in 1905; and I think the law of England, the Matrimonial Causes Act, is substantially the same law that exists today in Canada, except the act in reference to domicile.

Let us now take a look at the points I have raised. We need reform to extend the grounds for divorce. I am one of those who believe that divorce, if it is right at all in Canada, should be based on grounds other than adultery. I think it should be based on grounds of desertion for one year or two years or maybe longer and also on the grounds of physical and mental cruelty. I think it should also be based on the grounds that one of the spouses is confined to prison for life or for a longer period of time; and there may be some other grounds including insanity. However, I add this, that I think everybody agrees that the home is the foundation of society. Our Canadian homes are the foundation of Canadian society. In order to create in the minds of young people and other people who are going to get married, a little bit of caution, if we are going to extend these grounds, then we should make certain it is written in the law that no one can come before the courts or any other jurisdiction that has the right to grant a divorce until five years or three years after the marriage. Five years may be too long. Three years may be just the right time. Some have recommended three years and some have said five years. In Britain I believe there is that waiting period.

I also think there are some religious groups and churches which lay the foundation and help young people—and particularly young people—in coming to the right decisions on marriage, and which set up we might almost say marriage clinics based on the ecclesiastical law and the law that we understand, namely God's law. I think it is commendable that churches hold such premarriage clinics. Let us reorient our thinking a little bit for our purpose, first to keep our families together; and all of us wish to keep our families together. If people getting married are given some encouragement in this regard and some education in this field, we prevent people from making wrong marriages; we place the emphasis there at first and then we relieve those people who have made an honest mistake. I go along with the hon. member in that regard.

What about other matters than grounds? I wish to deal with jurisdiction. When I am dealing with that matter I wish to say that there is no question that Mr. Power, who used to speak at service clubs and other places in western Canada and place his argument with force before Canadians, stated that there are thousands of families living in the state of adultery in Canada or at least the parties were not legally married. In fact last year a man from a very respectable family whose people had been in public life—I am not going to mention this person's name—was charged with bigamy. Few people realize that when they go down to the United States and get one of those United States divorces, those divorces in some cases unless that male spouse is domiciled in the United States are illegal. It is true that parliament attempted to relieve this situation some time ago and that the wife can now take action two years after

she is deserted in the domicile where the desertion took place. But for that exception the law works a great hardship on people because it is the domicile of the husband that governs the jurisdiction. Particularly in a country like Canada with 10 provinces the husband may have deserted his wife, may have left the province of Alberta and acquired new domicile in the province of Newfoundland or in another province. In that way that particular female spouse has no remedy or at least the remedy is very difficult. So I feel that on that question of domicile and jurisdiction there should be reform.

I am going to come back to the question of bigamy for a few moments. Bigamy is the act of a person who if married goes through a form of marriage with another person in any part of the world. Many people feel that the offence of bigamy is based on the fact that the person went through a form of marriage in Canada. If spouses go through a form of marriage in the United States and were not legally divorced as far as Canada is concerned because our jurisdiction will not recognize this particular United States divorce then you may be charged with and convicted of bigamy particularly if you knew you were not legally divorced. In this particular case the defendant was acquitted because the crown filed a document of a certain state which states on that document that that spouse was domiciled in that state, and no evidence was presented by the crown that he was actually domiciled in the province of Saskatchewan. That happened to be a technical defence but it succeeded. I draw that analogy in order to show that there are people living under those circumstances and probably unknown. Then there are other serious ramifications because those people have children. They may be illegitimate children. Then there is a question whether they inherit the estate and there are problems all along the line. I say that is another reason why we need reform in this field: Let us clean up the mess.

With reference to the question of proof, as the law stands today the main ground, of course, is adultery. There are other grounds such as sodomy but the main ground is adultery. I want to come back to the question of collusion and deal with that for a few moments. I think the last speaker has the wrong idea of what legal collusion is. There is nothing wrong in having the right kind of agreement. There is nothing wrong in entering into a financial agreement. There is nothing wrong if one spouse says to the other, "I want a divorce". May I suggest that collusion exists where some fraud has occurred or where there is some agreement that is bad in law. For example, if one spouse encourages the other to go out and commit adultery, that in itself would be collusion. It would also be collusion if one spouse committed perjury, as my good friend says. It would be perjury if the husband or the wife or one of the witnesses set out certain facts under oath that were wrong.

There is a lot of talk about perjury in divorce actions and I want to deal with that for a few moments. There is no more perjury in divorce actions than there is in any other kind of litigation. For example, let us examine the automobile accident cases. People will get on the stand and both plaintiff and defendant will say that they were on the right side of the road going at a very reasonable rate of speed in the opposite direction on a highway 66 feet wide. Yet there has been a head-on collision. Somebody must be committing perjury or at least, to put it midly, must be mistaken. I want to make that point because there is too much talk about divorces being collusive and I do not go along with the point of view that there is more perjury with reference to divorces.

With regard to collusion, I want to read what a distinguished author has to say about it. On page 65 of his book, "The Law of Divorce in Canada", there is the following:

> In order to constitute collusion there must be a corrupt agreement or conspiracy, to which the petitioner is a party, to obtain a divorce by manufactured evidence or of some fraud or deceit practised on the court.

I want to repeat that there is nothing wrong with one spouse saying to the other, "I want a divorce", if the evidence exists. Let us assume that the husband says to the wife: I was out with Nellie last night, certain things happened and you had nothing to do with it. Let us assume that she then goes to a lawyer who issues a statement of claim or a petition and brings the matter before the court. Such co-operation is not collusion. There is nothing wrong with that kind of agreement. One spouse can assist another in getting a divorce as long as there is no fraud or deceit, as long as you do not tell the court a lie. That is why I say people are talking loosely when they say that many divorces are based on collusive evidence. I have respect for the courts of our land and for our judges, who are men of experience and well trained in the field of jurisprudence. They hear the witnesses and they are able to determine in most cases whether or not the witness is telling the truth. In defended divorce the art of cross-examination brings out certain facts and from those facts the judge may draw certain inferences. Of course, we must all admit that on occasion it is very difficult to prove—

Mr. Speaker: Order. I regret to advise the hon. member that the time allotted to him has expired.

(Translation):

Mr. Bernard Dumont (Bellechasse): Mr. Speaker, I shall try to speak as well as possible because several members have complained we speak as fast as machine guns. In future, in order to maintain goodwill and national unity, I shall strive to speak more slowly so as to be clearly understood.

Since I came here, there has been some talk about planning and the agreement which exists between the 118 socialists who sit in the house. It is now proposed to subject marriage to planning.

I should like to recall the statement made the other day by the hon. member for Skeena (Mr. Howard) when he stated, in reply to my speech, that we had no respect for minorities. I invite him to tour the province of Quebec for that will enable him to see that in our province, the French Canadian people have great respect for minorities. He will then have the best example of the kind of respect he will be able to demand for minorities throughout Canada.

We, from Quebec, who are particularly guided by our mother the Roman Catholic church, admit that in certain cases there are serious reasons which favour a separation from bed and board. And the Roman Catholic church that is broadminded recognizes that such cases exist. The Roman Catholic church considers all Canadians as her children. She is opposed to divorce because from her point of view, it infringes on the rights of the individual.

People are afraid of cancer, and a moment ago we heard of certain drugs which can cause certain illnesses but some dare ask for more laxity in a statute the consequences of which are more serious for the soul than cancer is for the body.

Hon. gentlemen opposite give us clear evidence that divorce has solved many problems in the U.S., that it has solved some in Great Britain. If your evidence is conclusive we will send you to the ecumenical council, so that you may discuss those rights which, according to you, we are refusing minorities.

In Bill C-12, before us today, I find this under clause 4:

> For the purpose of this act, a party to a marriage who is domiciled in any province of Canada shall be deemed to be domiciled in every other province of Canada.

Now, what would prevent someone who tomorrow will have left for the United States or Europe, to ask for a divorce, since the act will be relaxed more and more every year?

The intent is to have a very lax statute. The other day I remarked that within a few years we would find in procedural practice only pitiable rot.

Subparagraph (b) of paragraph 6, reads like this:

> That, since the marriage, the other party to the marriage has, without just cause or excuse, wilfully deserted the petitioner for a period of not less than two years.

Those are terms that can result in endless lawsuits, terms which are neither clear nor precise. I agree with the hon. member from Bow River (Mr. Woolliams) who, earlier today, told us that he wanted the legislation to be seriously scrutinized, especially if there were distaste in respect of discussing each case of divorce in the house, a procedure, as which, as I said, does prevent numerous divorce cases we otherwise would have to deal with.

At this time, it prevented us from being flooded with a great number of divorces because, very near us, in the United States, we find there is one divorce or more granted every second. Well, in Canada, we are still protected from this great calamity.

Subsection (k) of section 6 reads as follows:

> —that the other party to the marriage has, for a period of not less than one year, failed to comply with a decree of restitution of conjugal rights made by a court in a province.

I do not know how this is done in the rest of Canada, although I did go to Vancouver, where I met wonderful people, with whom we can certainly get along. But at home, in Quebec, I cannot conceive a court decreeing a restitution of conjugal rights. In Quebec, we have learned that when a man has come to the point where he cannot and not to the point where he will not, it is very difficult for him to comply with a court's decree of restitution of conjugal rights.

Proceeding with the reading of this bill, I find that under section 8, subsection (2), paragraph (d), a marriage may be annulled:

> Where the consent of either of the parties is not a real consent because it was obtained by duress or fraud.

How can this duress or fraud be proved? Indeed, a law can be given various interpretations when it is too broad.

I remember reading in an American magazine some time ago that divorces were granted for many reasons, for instance, because of overcooked eggs at breakfast. Let us broaden the act and then we shall see pretty things.

With regard to reference made to the Bible earlier by a member from Alberta to prove that Christ sometimes permitted adultery, I suggest that if Christ recognized adultery as a ground for divorce, why did he say: "Whosoever marrieth her that is put away from her husband committeth adultery"? This is definite evidence that Christ does not accept divorce.

That is why I am of the opinion that our procedure does not enable us at the present time to increase the number of divorces in Canada. And I repeat that if we find that procedure offensive, let the province of Quebec be given back its right to legislate and minorities will be treated very well in Quebec as they have been in the past.

It would be advisable to know the opinion of the hon. members opposite, the Liberals, who do not dare to take sides in the matter, those people we consider however as good fathers, who are supposed to have the faith, those people who want to continue their happy pleasure-seeking life, their excessively materialistic life, and live among children who would never have the chance to know their fathers and mothers. Those children have the right to have a good father to give them sound advice and a mother to take care of their daily problems. Those children would keep a well-balanced mind. In case of sickness, madness or other serious cases, gentlemen, do as we do in Quebec—practise continence. It enables us to lead a better life.

And this reminds me of a man whom you have seen here for quite a while, as member for Bellechasse; I mean the late lamented Hon. Louis Philippe Picard, a good Liberal, who had at least a dozen women friends in Canada and who had about as many when he was abroad. Besides, the Liberal party was so much ashamed of him that, one day, the Right Hon. Louis St. Laurent said: "If at least this man were presentable."

In our province, Mr. Speaker, we do not ask for annulment of marriage, but only for separation from bed and board. Divorce petitions which would be submitted to a Quebec court, through an amendment to the British North America Act, are now submitted to the Senate, so that our hon. senators may have something to do. On the other hand, this brings us to realize that divorce is a disaster.

(Text):

Mr. R. J. McCleave (Parliamentary Secretary to the Minister of Public Works): Mr. Speaker, first of all we should be grateful to the hon. member for Timiskaming (Mr. Peters) for solving one of the puzzling problems of the day. Up until the moment he stood up in this debate this afternoon some of us had wondered what N.D.P. stood for. In my case, I thought possibly it stood for no discernible principles, but now I see it stands for no divorce permitted. Was ever such an arrant case of blackmail presented to any group of adult citizens in the House of Commons, that unless parliament took such and such action citizens would be deprived of the rights to which they were entitled by long constitutional practice? I put it to you, Mr. Speaker, that we have stood this nonsense from the hon. member for Timiskaming and his partner in this matter for more than a year. But how long can society put up with an affront such as this? We have two men putting a gun to the heads of citizens outside this house and saying that unless parliament bends itself to their will they will deny these citizens their remedy.

Mr. Speaker: Order; I would suggest to the hon. member that he come back to the principle of the bill.

Mr. McCleave: I was about to do so, sir, having disposed of the hon. member for Timiskaming. I point out that his approach to the problem of divorce contains all the fallacious thinking, all the errors that have accumulated during the 1930's which he is trying to bring into the 1960's. This approach has been a signal failure for some 30 years or more in solving the problem of divorce.

Let me make it plain that I am in favour of divorce reform. I have given this subject a great deal of study. May I say, with some modesty, that in my case I have given it thoughtful study. I did not simply clip from this English statute or that Swedish act or something that has happened in Europe or one of the states of the United States of America, remedies to solve the divorce problem. The hon. member has suggested here, as he has suggested before, that if one adds all these extra grounds for divorce this will automatically cure the problems which are such a headache to law officers today. I say, sir, that this is a fallacious view. If you add these extra grounds, and some of them are very reasonable grounds—they are grounds upon which divorce reformers have agreed

for years—you will not solve the problems that bedevil judges or parliament when these matters are considered.

May I suggest the solution? It deals with the basic grounds for divorce, the grounds of adultery. All the mischief of perjury, collusion and connivance that exists today will not be cured in more than 1 per cent of the cases by adding the extra grounds suggested by the hon. member. What is needed is a brand new approach to this subject. I venture to say, sir, that the approach I will give now will be such a startling one that it will take some time for divorce reformers to become accustomed to it. I believe it is the only ground upon which we can correct the ills that infest the divorce problem.

Here it is. I suggest that adultery be the ground for divorce only if it is on the basis of a continuing liaison between one party to a marriage and any outsider. I suggest that because this would cover some 60 per cent of the cases that come before the courts at the moment.

Now, what about the other cases? I refer to those cases in which the couple obviously agree to a divorce because of their incompatibilty, differences in temperament and so on which do not allow them to go along with each other or to make their marriage work. I will cover those cases by a new formula, one to which it may take Canadians a while to become accustomed. I suggest that in those cases, if there is going to be divorce by agreement using the pretext of adultery, then there should be divorce by agreement after separation for a period of not less than three years. If one bifurcated the grounds of adultery in this fashion, so to speak, I suggest to you we would close up the divorce mills in Canada. We would not have the detectives in our provincial courts and we would not have the detectives in our court of parliament.

There is another point which I think should be made clear. While it is not strictly relevant, nevertheless it was brought before us this afternoon and I hope I will be allowed to deal with it. It concerns the Quebec and Newfoundland cases. It is often misunderstood why they come before parliament, but I am told that in the case of Newfoundland the chief negotiator for that province some 13 or 14 years ago, Sir Albert Walsh, insisted that the Newfoundland cases be dealt with in parliament, or Newfoundland itself would not enter union.

Finally, since time is growing short I should like to make one further point, that over the last year I have had the opportunity to discuss this matter in all the provinces with the exception of Newfoundland and Prince Edward Island. I have talked about it with the judges, with archbishops, bishops, priests and social workers, and they have all agreed with me that if we are to solve the problem of divorce not only should we grant extra grounds but we should also be very careful in how we deal with the present cases in order to clean up the situation as it now exists. If parliament bends itself to that task and in that direction, it will take time but this reform can be brought about.

Mr. Speaker, may I call it six o'clock?

Mr. Speaker: It now being six o'clock, the time allotted for the consideration of private members' business has expired and I shall leave the chair until 2.30 o'clock on Monday afternoon. It is suggested that I remind hon. members of the house that there is a change of time so that it will be 2.30 o'clock eastern standard time.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire from the house leader what business will be transacted on Monday, and I wonder if he could give some idea of the whole program for next week? It is helpful when that can be done.

Mr. Churchill: On Monday, Mr. Speaker, we will be in committee of ways and means and will continue in committee of ways and means if the house wishes to carry on with the debate on the subject that has been raised there. Our preference on this side of the house would be to complete the ways and means work, at least the four resolutions, on Monday, or certainly by Tuesday at the latest, and then go on with legislation on Wednesday, Thursday and Friday. Tentatively, without making any definite commitment, we would like to deal with the special committee of the house dealing with railways owned and operated by the government, followed by the various pieces of legislation pertaining to that subject matter standing in the name of the Minister of Transport. That is the tentative program for next week.

Mr. Chevrier: Will the urgent business that the house leader has in mind be redistribution, the matter concerning the resolution in the name of the Prime Minister?

Mr. Churchill: If the hon. member wishes to have that discussed next week we might make that arrangement.

An hon. Member: That was urgent two weeks ago.

Mr. Pickersgill: It is still urgent under the constitution.

Mr. Churchill: Everything is urgent.

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

END OF VOLUME I